



**KERN HEALTH  
SYSTEMS**

**REGULAR MEETING OF THE  
BOARD OF DIRECTORS**

**Thursday, December 14, 2023**

**at**

**8:00 A.M.**

**At**

**Kern Health Systems  
2900 Buck Owens Boulevard  
Bakersfield, CA 93308**

**The public is invited.**

**For more information - please call (661) 664-5000.**



## AGENDA

### BOARD OF DIRECTORS

KERN HEALTH SYSTEMS  
2900 Buck Owens Boulevard  
Bakersfield, California 93308

Regular Meeting  
Thursday, December 14, 2023

8:00 A.M.

All agenda item supporting documentation is available for public review on the Kern Health Systems website: <https://www.kernfamilyhealthcare.com/about-us/governing-board/>  
Following the posting of the agenda, any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available on the KHS website.

**PLEASE SILENT CELL PHONES AND OTHER ELECTRONIC DEVICES DURING THE MEETING**

#### BOARD TO RECONVENE

Directors: Watson, Thygerson, Patel, Elliott, Abernathy, Acharya, Bowers, Hoffmann, Ma, McGlew, Meave, Patrick, Singh, Tamsi, Turnipseed  
ROLL CALL:

#### ADJOURN TO CLOSED SESSION

#### CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) –

8:15 A.M.

#### BOARD TO RECONVENE

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN HEALTH SYSTEMS STAFF. THE "CA" REPRESENTS THE CONSENT AGENDA. CONSENT ITEMS WILL BE CONSIDERED FIRST AND MAY BE APPROVED BY ONE MOTION IF NO MEMBER OF THE BOARD OR AUDIENCE WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 2) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THE MEETING FACILITATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))
- CA-4) Minutes for Kern Health Systems Board of Directors regular meeting on October 12, 2023 (Fiscal Impact: None) –  
APPROVE
- CA-5) Appreciation recognition of John Nilon for 2+ years of dedicated service as a member of the Kern Health Systems Board of Directors (Fiscal Impact: None) –  
RECEIVE AND FILE

- 
- CA-6) Report on Kern Health Systems investment portfolio for the third quarter ending September 30, 2023 (Fiscal Impact: None) –  
 RECEIVE AND FILE
- CA-7) Proposed reinsurance policy renewal with IOA Re to mitigate costs incurred by Kern Health Systems for members with high dollar inpatient admissions from January 1, 2024 through December 31, 2024 in an amount not to exceed \$0.28 per member per month (Fiscal Impact: \$1,358,616 estimated; Budgeted) –  
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 8) Report on Kern Health Systems Managed Care Accountability Set (MCAS) Action Plan (Fiscal Impact: None) –  
 RECEIVE AND FILE
- 9) Proposed Kern Health Systems 2024 Operating and Capital Budgets (Fiscal Impact: None) –  
 APPROVE
- 10) Proposed Budget Request for 2024 Project Consulting Professional Services, from January 1, 2024 through December 31, 2024 (Fiscal Impact: \$23,890,000; Budgeted) –  
 APPROVE
- CA-11) Proposed Agreement with Manifest Medex, for Health Information Exchange System to exchange data electronically across organizations, from January 2, 2024 through January 1, 2027 and Technical Professional Services in support of the Safety Net Providers, from January 2, 2024 through December 31, 2024 (Fiscal Impact: \$2,300,000; Budgeted) –  
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-12) Proposed Agreement with Cotiviti, for HEDIS/Stars Software Reporting Tool to support CA Medicaid, Medicare, and Dual Eligible Special Needs Plan, from December 15, 2023 through December 14, 2026 (Fiscal Impact: \$2,079,724; Budgeted) –  
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-13) Proposed Agreement with DST Health Solutions, for John Hopkins ACG Predictive Modeler Tool and ACG GeoHealth to conduct risk stratification and predictive analytics, from January 1, 2024 through December 31, 2026 (Fiscal Impact: \$601,050; Budgeted) –  
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-14) Proposed Agreement with Harte Hanks, a national customer service engagement organization, to conduct KHS new member orientation calls for the HealthNet members transitioning to KHS, from January 1, 2024 through March 31, 2024 (Fiscal Impact: \$321,412; Budgeted) -  
 APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

- 15) Report on Kern Health Systems Financial Statements for September 2023 and October 2023 (Fiscal Impact: None) –  
RECEIVE AND FILE
- CA-16) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for September 2023 and October 2023 and IT Technology Consulting Resources for the period ended September 30, 2023 (Fiscal Impact: None) –  
RECEIVE AND FILE
- CA-17) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) –  
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA-18) Proposed revisions to Policy 4.01-P Credentialing Program (Fiscal Impact: None) –  
APPROVE POLICY REVISIONS
- 19) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) –  
RECEIVE AND FILE
- 20) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) –  
RECEIVE AND FILE
- CA-21) Miscellaneous Documents –  
RECEIVE AND FILE
  - A) Minutes for Kern Health Systems Physician Advisory Committee meeting on October 4, 2023
  - B) Minutes for Kern Health Systems Quality Improvement Committee meeting on September 21, 2023
  - C) Minutes for Kern Health Systems Drug Utilization Review Committee meeting on September 25, 2023
  - D) Minutes for Kern Health Systems Public Policy Committee meeting on September 26, 2023

ADJOURN TO FEBRUARY 15, 2024 AT 8:00 A.M.

**AMERICANS WITH DISABILITIES ACT  
(Government Code Section 54953.2)**

The meeting facilities at Kern Health Systems are accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Board of Directors may request assistance at the Kern Health Systems office, 2900 Buck Owens Boulevard, Bakersfield, California 93308 or by calling (661) 664-5010. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

**SUMMARY**

**BOARD OF DIRECTORS**

**KERN HEALTH SYSTEMS  
2900 Buck Owens Boulevard  
Bakersfield, California 93308**

Regular Meeting  
Thursday, October 12, 2023

8:00 A.M.

BOARD RECONVENED

Directors: Watson, Thygerson, Patel, Abernathy, Acharya, Bowers, Elliott, Hoffmann, Ma, McGlew, Meave, Nilon, Patrick, Singh, Tamsi, Turnipseed  
ROLL CALL: 13 Present; 3 Absent – Acharya, Meave, Nilon

NOTE: The vote is displayed in bold below each item. For example, McGlew-Patrick denotes Director McGlew made the motion and Director Patrick seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

BOARD ACTION SHOWN IN CAPS

ADJOURNED TO CLOSED SESSION  
**Bowers**

CLOSED SESSION

- 1) Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) – SEE RESULTS BELOW
- 2) Conference with Legal Counsel - Anticipated Litigation – (Government Code Section 54956.9) – SEE RESULTS BELOW

8:30 A.M.

BOARD RECONVENED

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) **RECOMMENDED FOR INITIAL CREDENTIALING SEPTEMBER 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON KAHN, SIVIA, BATH, BAZARGANI, KAHN, LIANG, MITCHELL, NHAN, SUKKAR; DIRECTOR PATEL ABSTAINED FROM VOTING ON MILLER; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON BARROSO-PEREZ, HERNANDEZ, MEE, PEACE, POWELL, SHANG, SINGH; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON TREJO, WYANT, BAZARGANI, GUERRERO, LEE

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) **RECOMMENDED FOR INITIAL CREDENTIALING OCTOBER 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR INITIAL CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON SHENASAN, BEDROSIAN, BRAGA, LAI, MCCLENDON, PETERS, RAMIREZ, SOSNOWSKI, WILLIAMS; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON ESLAIM, LIU, MA, MAZZULLO, DHILLON, BALLI, CERVANTES, HUERTA-GALINDO, KAUR, SABA, WORK; DIRECTOR MA ABSTAINED FROM VOTING ON ESLAMI, LIU, MA, MAZZULLO; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON BAHAM

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) **RECOMMENDED FOR RE-CREDENTIALING SEPTEMBER 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RE-CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON AVETISYAN, BAZMI, AMENT, CHAUDHRY, CHEN, FOK, MISHRA, VASAN; DIRECTOR ELLIOTT ABSTAINED FROM VOTING ON EVERETT; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON CABAHUG, HOBBS, MOHANKUMAR; DIRECTOR MCGLEW ABSTAINED FROM VOTING ON EVERETT

Item No. 1 concerning a Request for Closed Session regarding peer review of a provider (Welfare and Institutions Code Section 14087.38(o)) **RECOMMENDED FOR RE-CREDENTIALING OCTOBER 2023** – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT, THE BOARD APPROVED ALL PROVIDERS RECOMMENDED FOR RE-CREDENTIALING; DIRECTOR THYGERSON ABSTAINED FROM VOTING ON ACACIO, MANN; DIRECTOR PATEL ABSTAINED FROM VOTING ON PATEL; DIRECTOR HOFFMANN ABSTAINED FROM VOTING ON GREWAL, RIVERA, SANCHEZ; DIRECTOR TURNIPSEED ABSTAINED FROM VOTING ON OROZCO-ROBLES, AYAD

Item No. 2 concerning a Conference with Legal Counsel - Anticipated Litigation – (Government Code Section 54956.9) – – HEARD; NO REPORTABLE ACTION TAKEN

STAFF RECOMMENDATION SHOWN IN CAPS



PUBLIC PRESENTATIONS

- 3) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THE MEETING FACILATATOR WILL INDICATE WHEN THERE IS 15 SECONDS REMAINING TO YOUR PRESENTATION TIME!**  
**NO ONE HEARD**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 4) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))  
**NO ONE HEARD**
- CA-5) Minutes for Kern Health Systems Board of Directors regular meeting on August 17, 2023 (Fiscal Impact: None) – APPROVED  
**Hoffmann-McGlew: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- 6) Kern County Board of Supervisors appointment of Albert Ma, M.D., 5<sup>th</sup> District Community Representative, for term expiring June 30, 2026 (Fiscal Impact: None) – RECEIVED AND FILED  
**Hoffmann-McGlew: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- 7) Report on Kern Health Systems Foundation (Fiscal Impact: None) – AMANDA LUCAS, LEBEAU THELEN, HEARD; RECEIVED AND FILED  
**McGlew-Bowers: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- 8) Report by Granger Network on leadership development (Fiscal Impact: None) – KARI GRANGER, GRANGER NETWORK, HEARD; RECEIVED AND FILED  
**Patrick-Patel: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- 9) Report on Kern Health Systems Nominating Committee for the proposed appointment of officer to serve as KHS Board Treasurer, effective October 12, 2023 - APPOINTED TREASURER  
**Hoffmann-Patel: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- 10) Report on Kern Health Systems Nominating Committee for the proposed appointment of members to serve on the KHS Finance Committee, effective October 12, 2023 - APPOINTED COMMITTEE MEMBERS  
**Patrick-McGlew: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**

- 
- 11) Report on Kern Health Systems Nominating Committee for the proposed appointment of members to serve on the KHS Compliance Committee, effective October 12, 2023 - APPOINTED COMMITTEE MEMBERS  
**Patrick-Tamsi: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- 12) Proposed Agreement with Dell, for additional Microsoft licensing to enhance Kern Health Systems Member Engagement platform, from October 13, 2023 through December 31, 2024 (Fiscal Impact: \$464,336.85; Budgeted) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Singh-McGlew: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- 13) Report on Kern Health Systems Financial Statements for July 2023 and August 2023 (Fiscal Impact: None) – RECEIVED AND FILED  
**McGlew-Patel: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- CA-14) Report on Accounts Payable Vendor Report, Administrative Contracts between \$50,000 and \$200,000 for July 2023 and August 2023 and IT Technology Consulting Resources for the period ended July 31, 2023 (Fiscal Impact: None) – RECEIVED AND FILED  
**Hoffmann-McGlew: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- CA-15) Proposed Kern Health Systems provider contracts (rates confidential per Welfare and Institutions Code Section 14087.38(m)) – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN  
**Hoffmann-McGlew: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- CA-16) Kern Health Systems Chief Compliance and Fraud Prevention Officer report (Fiscal Impact: None) – RECEIVED AND FILED  
**Hoffmann-McGlew: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- CA-17) Report on Kern Health Systems Operation Performance and Review of the Kern Health Systems Grievance Report (Fiscal Impact: None) – RECEIVED AND FILED  
**Hoffmann-McGlew: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- 18) Kern Health Systems Chief Medical Officer report (Fiscal Impact: None) – RECEIVED AND FILED  
**Patrick-Bowers: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**
- DIRECTOR TURNIPSEED LEFT THE DAIS AT 10:29AM; AFTER THE VOTE ON ITEM 18 AND DID NOT RETURN
- 19) Kern Health Systems Chief Executive Officer report (Fiscal Impact: None) – RECEIVE AND FILE  
**Hoffmann-Parick: 10 Ayes; 6 Absent – Abernathy, Acharya, Meave, Nilon, Patel, Turnipseed**
- DIRECTOR ABERNATHY LEFT THE DAIS AT 10:37AM; DURING THE DISCUSSION OF ITEM 19 AND DID NOT RETURN
- DIRECTOR PATEL LEFT THE DAIS AT 10:38AM; DURING THE DISCUSSION OF ITEM 19 AND DID NOT RETURN

CA-20) Miscellaneous Documents –  
RECEIVED AND FILED

**Hoffmann-McGlew: 13 Ayes; 3 Absent – Acharya, Meave, Nilon**

- A) Minutes for Kern Health Systems Physician Advisory Committee meeting on June 7, 2023
- B) Minutes for Kern Health Systems Physician Advisory Committee meeting on August 2, 2023
- C) Minutes for Kern Health Systems Finance Committee meeting on August 11, 2023
- D) Minutes for Kern Health Systems Physician Advisory Committee meeting on September 6, 2023

ADJOURN TO DECEMBER 14, 2023 AT 8:00 A.M.

**Hoffmann**





---

**MEMORANDUM**

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Kristen Watson, Chairman  
**SUBJECT:** Service Recognition on KHS Board of Directors  
**DATE:** December 14, 2023

---

John Nilon has served as a member of the Kern Health Systems Board of Directors from June 16, 2020 – November 20, 2023. Mr. Nilon resigned effective November 20, 2023.

On behalf of the Kern Health Systems Board of Directors, we appreciated Member Nilon's participation and input on Kern Health Systems Board of Directors over the years.

**Recognition**

The Board of Directors will recognize Board Member Nilon's contribution with a service recognition award to commemorate his service on the Board.

**Requested Action**

Receive and File.





---

**MEMORANDUM**

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Robert Landis, Chief Financial Officer  
**SUBJECT:** Quarterly Review of Kern Health Systems Investment Portfolio  
**DATE:** December 14, 2023

---

**Background**

The Kern Health Systems (“KHS”) Investment Policy stipulates the following order of investment objectives:

- Preservation of principal
- Liquidity
- Yield

The investment portfolios are designed to attain a market-average rate of return through economic cycles given an acceptable level of risk. KHS currently maintains the following investment portfolios:

**Short-Term Portfolio (Under 1 year)**

Funds held in this period are typically utilized to pay providers, meet operating expenses and fund capital projects. Additionally, extra liquidity is maintained in the event the State is late with its monthly capitation payment.

**Long-Term Portfolio (1-5 years)**

Funds held in this time period are typically for reserves and to take advantage of obtaining higher yields.

**Requested Action**

Receive and File.

# KHS Board of Directors Meeting, December 14, 2023

## Kern Health Systems Investment Portfolio September 30, 2023

### Short Term Portfolio (under 1 year)

Funds held in this time frame are typically utilized to pay providers, meet operating expenses, distribute pass-through monies, potential State premium recoupments and for amounts owed under various Risk Corridors. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.

| Description                                  |     | Dollar Amount      | % of Portfolio | Maximum Allowed Per Policy | Approximate Current Yield | Liquidity | Principal Fluctuation                            |
|--|-----|--------------------|----------------|----------------------------|---------------------------|-----------|--|
| Wells Fargo - Cash                           |     | (1) \$ 1,600,000   | 0.28%          | 100%                       |                           | 1 Day     | None   |
| Money Market Accounts                        | (A) | (1) \$ 150,500,000 | 26.21%         | 40%                        | 5.19%                     | 1 Day     | None   |
| Local Agency Investment Fund (LAIF)          | (B) | (2) \$ 40,300,000  | 7.02%          | 50%                        | 3.53%                     | 2 Days    | None   |
| US T-Bills & Federal Agencies at Wells Fargo |     | (1) \$ 209,600,000 | 36.51%         | 100%                       | 5.20%                     | 1 Day     | Subject to Interest Rate Fluctuations            |
| KHS Managed Portfolio at Wells Fargo         | (C) | (1) \$ 18,900,000  | 3.29%          |                            | 5.63%                     | 3 Days    | Subject to Interest Rate and Credit Fluctuations |
| Sub-Total                                    |     | \$ 420,900,000     | 73.31%         |                            | 5.04%                     |           |  |

### Long Term Port Folio ( 1 - 5 years)

Funds held in this time frame are typically for reserves and to take advantage of obtaining higher yields.

|                                      |     |                       |                |  |              |        |  |
|--------------------------------------|-----|-----------------------|----------------|--|--------------|--------|--|
| UBS Managed Portfolio                | (D) | \$ 60,900,000         | 10.61%         |  | 5.69%        | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| KHS Managed Portfolio at Wells Fargo | (C) | \$ 92,300,000         | 16.08%         |  | 5.28%        | 3 Days | Subject to Interest Rate and Credit Fluctuations |
| Sub-Total                            |     | \$ 153,200,000        | 26.69%         |  | 5.44%        |        |  |
| <b>Total Portfolio</b>               |     | <b>\$ 574,100,000</b> | <b>100.00%</b> |  | <b>5.14%</b> |        |  |

| Yield Curve | Yield Curve |                    |                   |       |
|-------------|-------------|--------------------|-------------------|-------|
|             | Treasuries  | AA Corporate Bonds | A Corporate Bonds | CD's  |
| 1 year      | 5.36%       | 5.55%              | 5.70%             | 5.50% |
| 2 year      | 5.02%       | 5.31%              | 5.49%             | 5.30% |
| 3 year      | 4.82%       | 5.14%              | 5.38%             | 5.10% |
| 5 year      | 4.68%       | 5.06%              | 5.32%             | 4.75% |

- (A) Money market fund comprised of US Treasury and Repurchase Agreement Obligations.  
 (B) LAIF is part of a \$156 Billion Pooled Money Investment Account managed by the State Treasurer of CA. Majority of portfolio is comprised of Treasuries, CD's, Time Deposits and Commercial Paper.  
 (C) High quality diversified portfolio comprising Federal Agency Securities  
 (D) High quality diversified portfolio comprising certificate of deposits, corporate bonds and notes, municipal securities and US Treasury Securities. Includes investments maturing in less than 1 year that will be re-invested for over 1 year at maturity.

- (1) Funds are utilized to pay providers, meet operating expenses and distribute pass-through monies, potential State premium recoupments and for amounts owed under various Risk Corridors. Extra liquidity is maintained in the event the State is late with its monthly capitation payment.  
 (2) Funds are primarily utilized to fund various Grant Programs and 2023 capital projects.





**Branch office**  
9201 Camino Media  
Suite 230  
Bakersfield, CA 93311

**Financial Advisor**  
THE COHEN GROUP  
6616633200

# UBS Client Review

As of September 30, 2023

**Report Prepared for:** Kern Health Systems

| <b>Account Number</b>                          | <b>Account Name</b>                              | <b>Type</b>                  | <b>What's inside</b>   |
|--|--|------------------------------|--|
| EX XX120<br>Risk profile:<br>Return Objective: | BOND PORTFOLIO<br>Conservative<br>Current Income | Portfolio Management Program | Portfolio Review. . . . . 2<br>Asset Allocation Review. . . . . 5<br>Asset Allocation by Account. . . . . 6<br>Bond Summary. . . . . 7<br>Bond Holdings. . . . . 8<br>Additional Information About Your Portfolio. . . . . 15<br>Important Information About This Report. . . . . 16 |



# Portfolio Review

as of September 30, 2023

## Asset Allocation Review

|                          | Value on<br>09/30/2023 (\$) | % of<br>Portfolio |
|--------------------------|-----------------------------|-------------------|
| <b>A Cash</b>            | <b>65,598.08</b>            | <b>0.11</b>       |
| Cash                     | 65,598.08                   | 0.11              |
| US                       | 65,598.08                   | 0.11              |
| <b>B Fixed Income</b>    | <b>60,840,526.80</b>        | <b>99.89</b>      |
| US                       | 60,840,526.80               | 99.89             |
| Government               | 6,352,439.97                | 10.43             |
| Corporate IG Credit      | 54,488,086.83               | 89.46             |
| <b>C Equity</b>          | <b>0.00</b>                 | <b>0.00</b>       |
| <b>D Commodities</b>     | <b>0.00</b>                 | <b>0.00</b>       |
| <b>E Non-Traditional</b> | <b>0.00</b>                 | <b>0.00</b>       |
| <b>F Other</b>           | <b>0.00</b>                 | <b>0.00</b>       |
| <b>Total Portfolio</b>   | <b>\$60,906,124.88</b>      | <b>100%</b>       |



Balanced mutual funds and Insurance & Annuity products are allocated in the 'Other' category

## Portfolio Value and Investment Results

|                          | Performance returns (annualized > 1 year)    |  |  |                                    |
|--------------------------|--|--|--|------------------------------------|
|                          | For period of<br>12/31/2022 to<br>03/31/2023 | For period of<br>03/31/2023 to<br>06/30/2023 | For period of<br>06/30/2023 to<br>09/30/2023 | YTD<br>12/31/2022 to<br>09/30/2023 |
| <b>Opening value</b>     | <b>59,490,576.84</b>                         | <b>60,142,064.85</b>                         | <b>60,365,771.90</b>                         | <b>59,490,576.84</b>               |
| Net deposits/withdrawals | -22,280.50                                   | -19,602.63                                   | -24,415.91                                   | -66,299.04                         |
| Div./interest income     | 266,742.34                                   | 410,573.82                                   | 289,228.91                                   | 966,545.07                         |
| Change in accr. interest | 85,108.42                                    | -48,199.15                                   | 115,882.24                                   | 152,791.50                         |
| Change in value          | 321,917.75                                   | -119,064.99                                  | 159,657.75                                   | 362,510.51                         |
| <b>Closing value</b>     | <b>60,142,064.85</b>                         | <b>60,365,771.90</b>                         | <b>60,906,124.88</b>                         | <b>60,906,124.88</b>               |
| Net Time-weighted ROR    | 1.10   | 0.37   | 0.90   | 2.38                               |

Net deposits and withdrawals include program and account fees.

Past performance does not guarantee future results and current performance may be lower/higher than past data presented. Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023

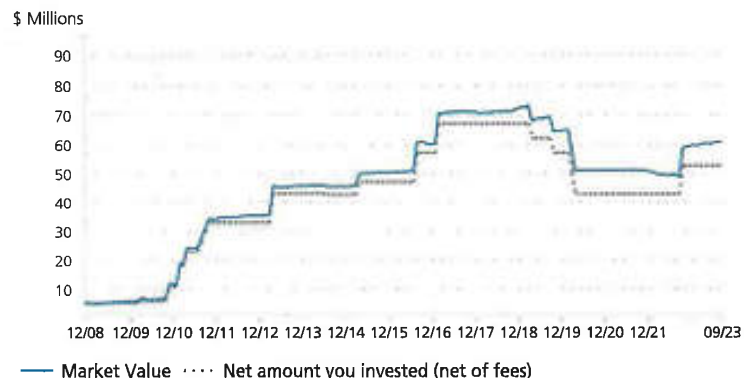
## EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

## Sources of Portfolio Value



## Summary of Gains and Losses

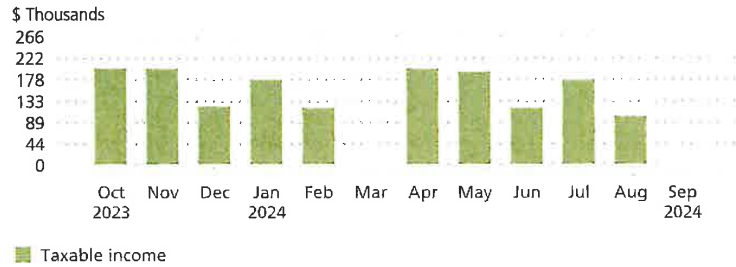
|                                       | Short term (\$) | Long term (\$)    | Total (\$)        |
|---------------------------------------|-----------------|-------------------|-------------------|
| <b>2022 Realized gains and losses</b> | <b>0.00</b>     | <b>-60,398.10</b> | <b>-60,398.10</b> |
| Taxable                               | 0.00            | -60,398.10        | -60,398.10        |
| Tax-Deferred                          | 0.00            | 0.00              | 0.00              |
| <b>2023 Year to date</b>              | <b>3,782.26</b> | <b>0.00</b>       | <b>3,782.26</b>   |
| Taxable                               | 3,782.26        | 0.00              | 3,782.26          |
| Tax-Deferred                          | 0.00            | 0.00              | 0.00              |



# Portfolio Review

as of September 30, 2023 (continued)

## Expected Cash Flow



**Total taxable income: \$1,640,602.80**  
**Total expected cash flow: \$1,640,602.80**

Cash flows displayed account for known events such as maturities and mandatory puts.

## Equity Sector Analysis

Compared to S&P 500 index

|                                | Value on 09/30/2023 (\$) | Actual (%) | Model (%) | Gap (%) |
|--------------------------------|--------------------------|------------|-----------|---------|
| Communication Services         | 0.00                     | 0.00       | 9.56      | -9.56   |
| Consumer Discretionary         | 0.00                     | 0.00       | 10.63     | -10.63  |
| Consumer Staples               | 0.00                     | 0.00       | 6.92      | -6.92   |
| Energy                         | 0.00                     | 0.00       | 4.76      | -4.76   |
| Financials                     | 0.00                     | 0.00       | 12.09     | -12.09  |
| Health Care                    | 0.00                     | 0.00       | 13.27     | -13.27  |
| Industrials                    | 0.00                     | 0.00       | 8.20      | -8.20   |
| Information Technology         | 0.00                     | 0.00       | 27.62     | -27.62  |
| Materials                      | 0.00                     | 0.00       | 2.35      | -2.35   |
| Real Estate                    | 0.00                     | 0.00       | 2.26      | -2.26   |
| Utilities                      | 0.00                     | 0.00       | 2.34      | -2.34   |
| <b>Total classified equity</b> | <b>\$0.00</b>            |            |           |         |
| Unclassified Securities        | 0.00                     |            |           |         |

Past performance does not guarantee future results and current performance may be lower/higher than past data presented. Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023

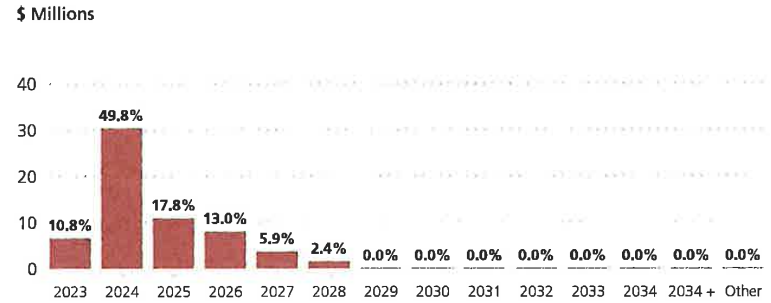
EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

## Bond Maturity Schedule



■ Effective maturity schedule

Cash, mutual funds and some preferred securities are not included.



## Portfolio Review

as of September 30, 2023 (continued)

### Summary of Performance by Account

|  |   |                        |                          |                |                          | Performance returns (annualized > 1 year) |  |  |                              |
|--|---|------------------------|--------------------------|----------------|--------------------------|---|--|--|------------------------------|
|  |   | Performance start date | Value on 09/30/2023 (\$) | % of portfolio |                          | For period of 12/31/2022 to 03/31/2023    | For period of 03/31/2023 to 06/30/2023 | For period of 06/30/2023 to 09/30/2023 | YTD 12/31/2022 to 09/30/2023 |
| EX XX120   | BOND PORTFOLIO•PMP•Ira Cohen / Jason Cohen Fixed Income | Dec 08, 2008           | 60,906,124.88            | 100.00%        | Net time-weighted        | 1.10%                                     | 0.37%                                  | 0.90%                                  | 2.38%                        |
| Risk profile: Conservative                           |   |                        |                          |                |                          |   |  |  |                              |
| Return objective: Current Income                     |   |                        |                          |                |                          |   |  |  |                              |
| <b>Total Portfolio</b>                               |   | <b>Dec 08, 2008</b>    | <b>\$60,906,124.88</b>   | <b>100%</b>    | <b>Net time-weighted</b> | <b>1.10%</b>                              | <b>0.37%</b>                           | <b>0.90%</b>                           | <b>2.38%</b>                 |
| <b>Benchmarks - Annualized time-weighted returns</b> |   |                        |                          |                |                          | For period of 12/31/2022 to 03/31/2023    | For period of 03/31/2023 to 06/30/2023 | For period of 06/30/2023 to 09/30/2023 | YTD 12/31/2022 to 09/30/2023 |
| Blended Index  |   |                        |                          |                |                          | 1.39%                                     | -0.08%                                 | 0.75%                                  | 2.06%                        |
| Blended Index 2                                      |   |                        |                          |                |                          | 1.24%                                     | 0.54%                                  | 1.08%                                  | 2.89%                        |
| US Treasury Bill - 3 Mos                             |   |                        |                          |                |                          | 1.09%                                     | 1.22%                                  | 1.34%                                  | 3.71%                        |
| BBG US Agg (1-3 Y)                                   |   |                        |                          |                |                          | 1.51%                                     | -0.36%                                 | 0.74%                                  | 1.89%                        |
| S&P 500  |   |                        |                          |                |                          | 7.50%                                     | 8.74%                                  | -3.27%                                 | 13.07%                       |

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Blended Index: 06/30/2023 - Current: 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y+ Blended Index 2: Start - Current: 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos

+Additional benchmark information can be found on the benchmark composition page.

Report created on: October 20, 2023

Page 4 of 21



# Asset Allocation Review

as of September 30, 2023

## Summary of Asset Allocation

|                        | Market value (\$)      | % of Portfolio |
|------------------------|------------------------|----------------|
| <b>Cash</b>            | <b>65,598.08</b>       | <b>0.11</b>    |
| Cash                   | 65,598.08              | 0.11           |
| US                     | 65,598.08              | 0.11           |
| <b>Fixed Income</b>    | <b>60,840,526.80</b>   | <b>99.89</b>   |
| US                     | 60,840,526.80          | 99.89          |
| Government             | 6,352,439.97           | 10.43          |
| Corporate IG Credit    | 54,488,086.83          | 89.46          |
| <b>Equity</b>          | <b>0.00</b>            | <b>0.00</b>    |
| <b>Commodities</b>     | <b>0.00</b>            | <b>0.00</b>    |
| <b>Non-Traditional</b> | <b>0.00</b>            | <b>0.00</b>    |
| <b>Other</b>           | <b>0.00</b>            | <b>0.00</b>    |
| <b>Total Portfolio</b> | <b>\$60,906,124.88</b> | <b>100%</b>    |

Balanced mutual funds and Insurance & Annuity products are allocated in the 'Other' category

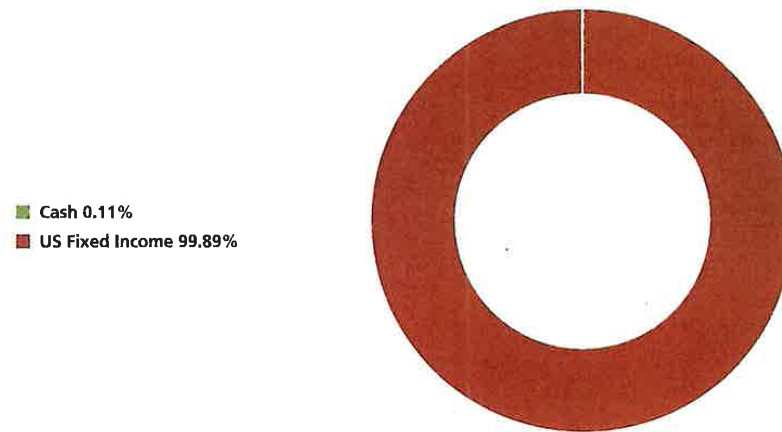
EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

Total Value: \$60,906,124.88



Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023



# Asset Allocation by Account

as of September 30, 2023

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

|                        | Equities (\$/%)  |             |             |               | Fixed Income (\$/%)  |             |               | Non-Traditional (\$/%) | Commodities (\$/%) | Other (\$/%) | Total                  |
|------------------------|------------------|-------------|-------------|---------------|----------------------|-------------|---------------|------------------------|--------------------|--------------|------------------------|
|                        | Cash (\$/%)      | U.S.        | Global      | International | U.S.                 | Global      | International |                        |                    |              |                        |
|                        | <b>65,598.08</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>   | <b>60,840,526.80</b> | <b>0.00</b> | <b>0.00</b>   | <b>0.00</b>            | <b>0.00</b>        | <b>0.00</b>  | <b>\$60,906,124.88</b> |
| <b>Total Portfolio</b> | <b>0.11</b>      | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>   | <b>99.89</b>         | <b>0.00</b> | <b>0.00</b>   | <b>0.00</b>            | <b>0.00</b>        | <b>0.00</b>  | <b>100%</b>            |
|                        | 65,598.08        | 0.00        | 0.00        | 0.00          | 60,840,526.80        | 0.00        | 0.00          | 0.00                   | 0.00               | 0.00         | \$60,906,124.88        |
|                        | 0.11             | 0.00        | 0.00        | 0.00          | 99.89                | 0.00        | 0.00          | 0.00                   | 0.00               | 0.00         | 100.00%                |

EX XX120 • BOND PORTFOLIO • BSA PMP

Risk profile: Conservative

Return objective: Current Income

|                        | Equities (\$/%)  |             |             |               | Fixed Income (\$/%)  |             |               | Non-Traditional (\$/%) | Commodities (\$/%) | Other (\$/%) | Total                  |
|------------------------|------------------|-------------|-------------|---------------|----------------------|-------------|---------------|------------------------|--------------------|--------------|------------------------|
|                        | Cash (\$/%)      | U.S.        | Global      | International | U.S.                 | Global      | International |                        |                    |              |                        |
|                        | <b>65,598.08</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>   | <b>60,840,526.80</b> | <b>0.00</b> | <b>0.00</b>   | <b>0.00</b>            | <b>0.00</b>        | <b>0.00</b>  | <b>\$60,906,124.88</b> |
| <b>Total Portfolio</b> | <b>0.11</b>      | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>   | <b>99.89</b>         | <b>0.00</b> | <b>0.00</b>   | <b>0.00</b>            | <b>0.00</b>        | <b>0.00</b>  | <b>100%</b>            |

Balanced mutual funds and Insurance & Annuity products are allocated in the 'Other' category

Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023



## Bond Summary

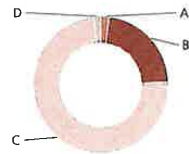
as of September 30, 2023

### Bond Overview

|  |                 |
|--|-----------------|
| Total quantity                           | 62,375,000      |
| Total market value                       | \$60,319,162.00 |
| Total accrued interest                   | \$521,364.80    |
| Total market value plus accrued interest | \$60,840,526.80 |
| Total estimated annual bond interest     | \$1,668,363.75  |
| Average coupon                           | 2.67%           |
| Average current yield                    | 2.77%           |
| Average yield to maturity                | 5.69%           |
| Average yield to worst                   | 5.69%           |
| Average modified duration                | 1.37            |
| Average effective maturity               | 1.47            |

### Credit Quality of Bond Holdings

| Effective credit rating  | Issues    | Value on 09/30/2023 (\$) | % of port.  |
|--------------------------|-----------|--------------------------|-------------|
| A Aaa/AAA/AAA            | 2         | 1,268,028.10             | 2.09        |
| B Aa/AA/AA               | 9         | 13,508,586.89            | 22.22       |
| C A/A/A                  | 31        | 45,083,889.31            | 74.09       |
| D Baa/BBB/BBB            | 1         | 980,022.50               | 1.61        |
| E Non-investment grade   | 0         | 0.00                     | 0.00        |
| F Certificate of deposit | 0         | 0.00                     | 0.00        |
| G Not rated              | 0         | 0.00                     | 0.00        |
| <b>Total</b>             | <b>43</b> | <b>\$60,840,526.80</b>   | <b>100%</b> |



### EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

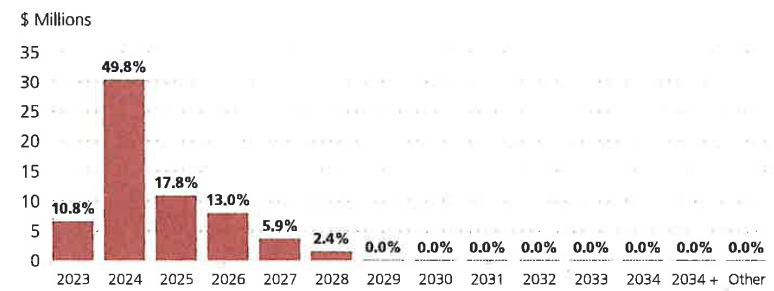
Risk profile: Conservative

Return Objective: Current Income

### Investment Type Allocation

| Investment type       | Taxable (\$)           | Tax-exempt / deferred (\$) | Total (\$)             | % of bond port. |
|-----------------------|------------------------|----------------------------|------------------------|-----------------|
| U.S. corporates       | 54,488,086.83          | 0.00                       | 54,488,086.83          | 89.56           |
| U.S. federal agencies | 6,352,439.97           | 0.00                       | 6,352,439.97           | 10.44           |
| <b>Total</b>          | <b>\$60,840,526.80</b> | <b>\$0.00</b>              | <b>\$60,840,526.80</b> | <b>100%</b>     |

### Bond Maturity Schedule



Effective maturity schedule

Cash, mutual funds and some preferred securities are not included.

Includes all fixed income securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023

Page 7 of 21



# Bond Holdings

as of September 30, 2023

EX XX120 • BOND PORTFOLIO • Portfolio Management Program  
 Prepared for Kern Health Systems  
 Risk profile: Conservative  
 Return Objective: Current Income

## Summary of Bond Holdings

| Maturity Year | Issues    | Quantity          | Est. annual income (\$) | Current yield (%) | Yield to maturity (%) | Yield to worst (%) | Modified duration | Adjusted cost basis (\$) | Unrealized gain/loss (\$) | Mkt. value (\$)        | % of bond portfolio maturing |
|---------------|-----------|-------------------|-------------------------|-------------------|-----------------------|--------------------|-------------------|--------------------------|---------------------------|------------------------|------------------------------|
| 2023          | 4         | 6,600,000         | 21,400.00               | 0.33%             | 5.34%                 | 5.34%              | 0.12              | 6,598,725.34             | -40,605.34                | 6,566,162.78           | 10.87%                       |
| 2024          | 20        | 31,025,000        | 747,506.25              | 2.49%             | 5.85%                 | 5.85%              | 0.89              | 31,218,231.64            | -1,157,761.64             | 30,316,382.67          | 49.84%                       |
| 2025          | 8         | 11,100,000        | 407,850.00              | 3.79%             | 5.76%                 | 5.76%              | 1.57              | 11,049,808.97            | -296,212.97               | 10,864,326.42          | 17.83%                       |
| 2026          | 6         | 8,300,000         | 292,857.50              | 3.71%             | 5.52%                 | 5.52%              | 2.55              | 7,961,515.5              | -75,485.00                | 7,974,526.10           | 13.07%                       |
| 2027          | 4         | 3,850,000         | 133,125.00              | 3.68%             | 5.34%                 | 5.34%              | 3.30              | 3,639,288                | -23,322.50                | 3,648,992.58           | 5.99%                        |
| 2028          | 1         | 1,500,000         | 65,625.00               | 4.54%             | 5.28%                 | 5.28%              | 4.05              | 1,493,730                | -48,750.00                | 1,470,136.25           | 2.40%                        |
| 2029          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2030          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2031          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2032          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2033          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2034          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2035          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2036          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2037          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2038          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2039          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2040          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2041          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2042          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2043          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2044          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2045          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2046          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2047          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2048          | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| 2048 +        | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| Other         | 0         | 0                 |                         |                   | N/A                   | N/A                | N/A               |                          |                           |                        |                              |
| <b>Total</b>  | <b>43</b> | <b>62,375,000</b> | <b>\$1,668,363.75</b>   | <b>2.77%</b>      | <b>5.69%</b>          | <b>5.69%</b>       | <b>1.37</b>       | <b>\$61,961,299.45</b>   | <b>\$-1,642,137.45</b>    | <b>\$60,840,526.80</b> |                              |

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023





## Bond Holdings

as of September 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

### Details of Bond Holdings

|   | Effective rating/<br>Underlying rating<br>(Mdy/Fitch/S&P) | Quantity          | Coupon       | Effective<br>maturity | Call date/<br>Call price (\$) | Est. annual<br>income (\$)/<br>Curr. yield (%) | YTM (%)/<br>YTW (%)          | Modified<br>duration | Adjusted<br>cost basis (\$)/<br>Unreal. g/l (\$) | Market<br>price (\$) | Mkt. value (\$)/<br>Accr. interest (\$)                                 | % of<br>bond<br>port. |
|---|---|-------------------|--------------|-----------------------|-------------------------------|--|------------------------------|----------------------|--|----------------------|---|-----------------------|
| <b>Total Bond Portfolio</b>   |   | <b>62,375,000</b> | <b>2.67%</b> | <b>03/19/2025</b>     | <b>N/A</b>                    | <b>\$1,668,363.75</b><br><b>2.77%</b>          | <b>5.69%</b><br><b>5.69%</b> | <b>1.37</b>          | <b>\$61,961,299.45</b><br><b>\$-1,642,137.45</b> | <b>N/A</b>           | <b>\$60,319,162.00</b><br><b>\$521,364.80</b><br><b>\$60,840,526.80</b> | <b>100%</b>           |
| <b>Maturing 2023</b>  |   |                   |              |                       |                               |  |                              |                      |  |                      |   |                       |
| PEPSICO INC NTS B/E<br>00.400% 100723<br>DTD100720 FC040721                       | A1/NR/A+<br>NR/NR/NR                                      | 600,000           | 0.40%        | 10/07/2023            |                               | 2,400.00<br>0.40%                              | 4.90%<br>4.90%               | 0.02                 | 600,022.62<br>-622.62                            | 99.900               | 599,400.00<br>1,153.33  | 0.99%                 |
| FFCB BOND 00.290 % DUE<br>110223 DTD 110220 FC<br>05022021                        | NR/AA+/AA+<br>NR/NR/NR                                    | 2,000,000         | 0.29%        | 11/02/2023            |                               | 5,800.00<br>0.29%                              | 5.49%<br>5.49%               | 0.09                 | 1,998,818.00<br>-8,318.00                        | 99.525               | 1,990,500.00<br>2,384.44  | 3.30%                 |
| FANNIE MAE NTS 00.310 %<br>DUE 111623 DTD 111620 FC<br>05162021                   | Aaa/AA+/AA+<br>NR/NR/NR                                   | 2,000,000         | 0.31%        | 11/16/2023            |                               | 6,200.00<br>0.31%                              | 5.28%<br>5.28%               | 0.12                 | 1,999,800.00<br>-12,700.00                       | 99.355               | 1,987,100.00<br>2,307.78  | 3.29%                 |
| BANK OF NY MELLON CORP<br>00.350% 120723<br>DTD120720 FC060721 NTS<br>B/E         | A1/AA-/A<br>NR/NR/NR                                      | 2,000,000         | 0.35%        | 12/07/2023            | 11/07/2023<br>100.00          | 7,000.00<br>0.35%                              | 5.39%<br>5.39%               | 0.18                 | 2,000,084.72<br>-18,964.72                       | 99.056               | 1,981,120.00<br>2,197.22  | 3.28%                 |
| <b>Total 2023</b>   |   | <b>6,600,000</b>  | <b>0.32%</b> | <b>11/15/2023</b>     |                               | <b>\$21,400.00</b><br><b>0.33%</b>             | <b>5.34%</b><br><b>5.34%</b> | <b>0.12</b>          | <b>\$6,598,725.34</b><br><b>\$-40,605.34</b>     |                      | <b>\$6,558,120.00</b><br><b>\$8,042.78</b>                              | <b>10.87%</b>         |
| <b>Maturing 2024</b>  |   |                   |              |                       |                               |  |                              |                      |  |                      |   |                       |
| US BANCORP MED TERM<br>NTS 03.375% 020524<br>DTD020419 FACTOR<br>1.000000000000   | A3/A+/A<br>NR/NR/NR                                       | 300,000           | 3.38%        | 02/05/2024            | 01/05/2024<br>100.00          | 10,125.00<br>3.41%                             | 6.13%<br>6.13%               | 0.34                 | 302,996.42<br>-5,861.42                          | 99.045               | 297,135.00<br>1,546.88  | 0.49%                 |
| MICROSOFT CORP NTS B/E<br>02.875% 020624<br>DTD020617 FC080617.<br>CALL@MW+12.5BP | Aaa/WD/AAA<br>NR/NR/NR                                    | 875,000           | 2.88%        | 02/06/2024            | 12/06/2023<br>100.00          | 25,156.25<br>2.90%                             | 5.59%<br>5.59%               | 0.34                 | 872,846.09<br>-6,141.09                          | 99.052               | 866,705.00<br>3,773.44  | 1.44%                 |

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023

Page 9 of 21



## Bond Holdings

as of September 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

|   | Effective rating/<br>Underlying rating<br>(Mdy/Fitch/S&P) | Quantity  | Coupon | Effective<br>maturity | Call date/<br>Call price (\$) | Est. annual<br>income (\$)/<br>Curr. yield (%) | YTM (%)/<br>YTW (%) | Modified<br>duration | Adjusted<br>cost basis (\$)/<br>Unreal. g/l (\$) | Market<br>price (\$) | Mkt. value (\$)/<br>Accr. interest (\$) | % of<br>bond<br>port. |
|---|---|-----------|--------|-----------------------|-------------------------------|--|---------------------|----------------------|--|----------------------|---|-----------------------|
| <b>Maturing 2024</b>  |   |           |        |                       |                               |  |                     |                      |  |                      |   |                       |
| COMCAST CORP NTS B/E<br>03.700% 041524<br>DTD100518 FC041519<br>CALL@MW+15BP    | A3/A-/A-<br>NR/NR/NR                                      | 1,500,000 | 3.70%  | 04/15/2024            | 03/15/2024<br>100.00          | 55,500.00<br>3.74%                             | 5.70%<br>5.70%      | 0.52                 | 1,509,460.26<br>-25,390.26                       | 98.938               | 1,484,070.00<br>25,437.50               | 2.46%                 |
| APPLE INC NTS B/E 2.850%<br>051124 DTD051117<br>FC111117<br>CALL@MW+12.5BP      | Aaa/NR/AA+<br>NR/NR/NR                                    | 400,000   | 2.85%  | 05/11/2024            | 03/11/2024<br>100.00          | 11,400.00<br>2.90%                             | 5.71%<br>5.71%      | 0.59                 | 405,884.27<br>-12,736.27                         | 98.287               | 393,148.00<br>4,401.67                  | 0.65%                 |
| AMAZON COM INC NTS B/E<br>00.450% 051224<br>DTD051221<br>CALL@MW+2.5BP          | A1/AA-/AA<br>NR/NR/NR                                     | 2,000,000 | 0.45%  | 05/12/2024            |                               | 9,000.00<br>0.46%                              | 5.61%<br>5.61%      | 0.60                 | 1,997,660.00<br>-59,640.00                       | 96.901               | 1,938,020.00<br>3,450.00                | 3.21%                 |
| JPMORGAN CHASE & CO<br>NTS 03.625% 051324<br>DTD051314 FC111314 B/E             | A1/AA-/A-<br>NR/NR/NR                                     | 1,800,000 | 3.63%  | 05/13/2024            |                               | 65,250.00<br>3.67%                             | 5.76%<br>5.76%      | 0.59                 | 1,833,346.96<br>-56,638.96                       | 98.706               | 1,776,708.00<br>24,831.25               | 2.95%                 |
| US BANCORP NTS B/E<br>02.400% 073024<br>DTD072919 FC013020                      | A3/A+/A<br>NR/NR/NR                                       | 2,000,000 | 2.40%  | 07/30/2024            | 05/30/2024<br>100.00          | 48,000.00<br>2.47%                             | 5.96%<br>5.96%      | 0.80                 | 1,967,640.00<br>-24,900.00                       | 97.137               | 1,942,740.00<br>8,000.00                | 3.22%                 |
| BB&T CORP NTS B/E<br>02.500% 080124<br>DTD072919 FC020120                       | A3/A-/A-<br>NR/NR/NR                                      | 1,000,000 | 2.50%  | 08/01/2024            | 07/01/2024<br>100.00          | 25,000.00<br>2.58%                             | 6.32%<br>6.32%      | 0.80                 | 1,016,244.53<br>-47,024.53                       | 96.922               | 969,220.00<br>4,097.22                  | 1.61%                 |
| UNITEDHEALTH GROUP INC<br>02.375% 081524<br>DTD072519<br>CALL@MW+10BP NTS       | A2/A+/A<br>NR/NR/NR                                       | 2,250,000 | 2.38%  | 08/15/2024            |                               | 53,437.50<br>2.44%                             | 5.71%<br>5.71%      | 0.84                 | 2,248,541.26<br>-62,036.26                       | 97.178               | 2,186,505.00<br>6,679.69                | 3.62%                 |
| JOHN DEERE CAPITAL CORP<br>00.625% 091024<br>DTD091021 FC031022 NTS<br>B/E      | A2/A+/A<br>NR/NR/NR                                       | 1,400,000 | 0.63%  | 09/10/2024            |                               | 8,750.00<br>0.65%                              | 5.62%<br>5.62%      | 0.91                 | 1,400,590.71<br>-64,234.71                       | 95.454               | 1,336,356.00<br>486.11                  | 2.22%                 |
| PAYPAL HOLDINGS INC NTS<br>02.400% 100124<br>DTD092619 FC040120<br>CALL@MW+15BP | A3/A-/A-<br>NR/NR/NR                                      | 2,250,000 | 2.40%  | 10/01/2024            | 09/01/2024<br>100.00          | 54,000.00<br>2.48%                             | 5.70%<br>5.70%      | 0.96                 | 2,258,600.79<br>-80,150.79                       | 96.820               | 2,178,450.00<br>26,850.00               | 3.61%                 |

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023

Page 10 of 21



## Bond Holdings

as of September 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

|   | Effective rating/<br>Underlying rating<br>(Mdy/Fitch/S&P) | Quantity          | Coupon       | Effective<br>maturity | Call date/<br>Call price (\$) | Est. annual<br>income (\$)/<br>Curr. yield (%) | YTM (%)/<br>YTW (%)          | Modified<br>duration | Adjusted<br>cost basis (\$)/<br>Unreal. g/l (\$)     | Market<br>price (\$) | Mkt. value (\$)/<br>Accr. interest (\$)       | % of<br>bond<br>port. |
|---|---|-------------------|--------------|-----------------------|-------------------------------|--|------------------------------|----------------------|--|----------------------|---|-----------------------|
| <b>Maturing 2024</b>  |   |                   |              |                       |                               |  |                              |                      |  |                      |   |                       |
| SIMON PPTY GROUP LP B/E<br>03.375% 100124<br>DTD091014 FC040115<br>CALL@MW+15BP | A3/WD/A-<br>NR/NR/NR                                      | 1,900,000         | 3.38%        | 10/01/2024            | 07/01/2024<br>100.00          | 64,125.00<br>3.46%                             | 6.06%<br>6.06%               | 0.95                 | 1,945,820.45<br>-94,954.45                           | 97.414               | 1,850,866.00<br>31,884.38                     | 3.07%                 |
| BK OF NY MELLON CORP<br>NTS 00.850% 102524<br>DTD102521 FC042522 B/E            | A1/AA-/A<br>NR/NR/NR                                      | 1,500,000         | 0.85%        | 10/25/2024            | 09/25/2024<br>100.00          | 12,750.00<br>0.90%                             | 5.86%<br>5.86%               | 1.03                 | 1,500,757.09<br>-77,737.09                           | 94.868               | 1,423,020.00<br>5,489.58                      | 2.36%                 |
| BB&T CORP MED TERM NTS<br>02.850% 102624<br>DTD102617 FC042618 B/E              | A3/A/A-<br>NR/NR/NR                                       | 2,000,000         | 2.85%        | 10/26/2024            | 09/26/2024<br>100.00          | 57,000.00<br>2.95%                             | 6.23%<br>6.23%               | 1.02                 | 1,978,430.83<br>-47,650.83                           | 96.539               | 1,930,780.00<br>24,383.33                     | 3.20%                 |
| PNC FINL SERV GRP INC WT<br>02.200% 110124<br>DTD110119 FC050120 EXP<br>NTS B/E | A3/A/A-<br>NR/NR/NR                                       | 2,000,000         | 2.20%        | 11/01/2024            | 10/01/2024<br>100.00          | 44,000.00<br>2.29%                             | 6.08%<br>6.08%               | 1.04                 | 2,036,199.29<br>-116,879.29                          | 95.966               | 1,919,320.00<br>18,211.11                     | 3.18%                 |
| GENERAL DYNAMICS CORP<br>02.375% 111524<br>DTD091417 FC051518<br>CALL@MW+10BP   | A3/WD/A-<br>NR/NR/NR                                      | 1,750,000         | 2.38%        | 11/15/2024            | 09/15/2024<br>100.00          | 41,562.50<br>2.46%                             | 5.75%<br>5.75%               | 1.07                 | 1,782,041.48<br>-95,776.48                           | 96.358               | 1,686,265.00<br>15,585.94                     | 2.80%                 |
| ORACLE CORP NTS B/E<br>02.950% 111524<br>DTD110917 FC051518<br>CALL@MW+15BP     | Baa2/BBB/BBB<br>NR/NR/NR                                  | 1,000,000         | 2.95%        | 11/15/2024            | 09/15/2024<br>100.00          | 29,500.00<br>3.04%                             | 5.83%<br>5.83%               | 1.07                 | 1,022,576.36<br>-53,616.36                           | 96.896               | 968,960.00<br>11,062.50                       | 1.61%                 |
| TRUIST BANK NTS B/E<br>02.150% 120624<br>DTD120619 FC060620                     | A2/A+/A<br>NR/NR/NR                                       | 2,000,000         | 2.15%        | 12/06/2024            | 11/06/2024<br>100.00          | 43,000.00<br>2.25%                             | 6.23%<br>6.23%               | 1.13                 | 1,991,964.41<br>-84,044.41                           | 95.396               | 1,907,920.00<br>13,616.67                     | 3.16%                 |
| WAL MART STORES INC NTS<br>02.650% 121524<br>DTD102017 FC061518<br>CALL@MW+10BP | Aa2/AA/AA<br>NR/NR/NR                                     | 1,900,000         | 2.65%        | 12/15/2024            | 10/15/2024<br>100.00          | 50,350.00<br>2.74%                             | 5.34%<br>5.34%               | 1.16                 | 1,944,746.55<br>-103,912.55                          | 96.886               | 1,840,834.00<br>14,685.42                     | 3.05%                 |
| STATE STREET CORP B/E<br>03.300% 121624<br>DTD121514 FC061615                   | A1/AA-/A<br>NR/NR/NR                                      | 1,200,000         | 3.30%        | 12/16/2024            |                               | 39,600.00<br>3.40%                             | 5.93%<br>5.93%               | 1.15                 | 1,201,883.89<br>-38,435.89                           | 96.954               | 1,163,448.00<br>11,440.00                     | 1.93%                 |
| <b>Total 2024</b>   |   | <b>31,025,000</b> | <b>2.42%</b> | <b>09/04/2024</b>     |                               | <b>\$747,506.25</b><br><b>2.49%</b>            | <b>5.85%</b><br><b>5.85%</b> |                      | <b>0.89\$31,218,231.64</b><br><b>\$-1,157,761.64</b> |                      | <b>\$30,060,470.00</b><br><b>\$255,912.67</b> | <b>49.84%</b>         |

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023

Page 11 of 21



## Bond Holdings

as of September 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

|  | Effective rating/<br>Underlying rating<br>(Mdy/Fitch/S&P) | Quantity          | Coupon       | Effective<br>maturity | Call date/<br>Call price (\$) | Est. annual<br>income (\$)/<br>Curr. yield (%) | YTM (%)/<br>YTW (%)          | Modified<br>duration | Adjusted<br>cost basis (\$)/<br>Unreal. g/l (\$) | Market<br>price (\$) | Mkt. value (\$)/<br>Accr. interest (\$)       | % of<br>bond<br>port. |
|--|---|-------------------|--------------|-----------------------|-------------------------------|--|------------------------------|----------------------|--|----------------------|---|-----------------------|
| <b>Maturing 2025</b>   |   |                   |              |                       |                               |  |                              |                      |  |                      |   |                       |
| JPMORGAN CHASE & CO B/E<br>03.125% 012325<br>DTD012315 FC072315                  | A1/AA-/A-<br>NR/NR/NR                                     | 2,400,000         | 3.13%        | 01/23/2025            | 10/23/2024<br>100.00          | 75,000.00<br>3.24%                             | 5.89%<br>5.89%               | 1.25                 | 2,465,982.79<br>-149,118.79                      | 96.536               | 2,316,864.00<br>13,958.33                     | 3.84%                 |
| BK OF NY MELLON CORP B/E<br>03.000% 022425<br>DTD022415 FC082415                 | A1/AA-/A-<br>NR/NR/NR                                     | 1,300,000         | 3.00%        | 02/24/2025            | 01/24/2025<br>100.00          | 39,000.00<br>3.12%                             | 5.86%<br>5.86%               | 1.34                 | 1,324,688.18<br>-74,192.18                       | 96.192               | 1,250,496.00<br>3,900.00                      | 2.07%                 |
| BURLINGTN NORTH SANTA<br>FE 03.000% 040125<br>DTD030915 FC100115<br>CALL@MW+15BP | A3/NR/AA-<br>NR/NR/NR                                     | 1,000,000         | 3.00%        | 04/01/2025            | 01/01/2025<br>100.00          | 30,000.00<br>3.10%                             | 5.34%<br>5.34%               | 1.42                 | 957,230.00<br>9,280.00                           | 96.651               | 966,510.00<br>14,916.67                       | 1.60%                 |
| PNC BK B/E 03.250%<br>060125 DTD060115<br>FC120115                               | A2/A+/A<br>NR/NR/NR                                       | 300,000           | 3.25%        | 06/01/2025            | 05/01/2025<br>100.00          | 9,750.00<br>3.40%                              | 6.08%<br>6.08%               | 1.57                 | 295,368.00<br>-8,700.00                          | 95.556               | 286,668.00<br>3,222.92                        | 0.48%                 |
| UNION PAC CORP NTS B/E<br>03.750% 071525<br>DTD060818 FC011519<br>CALL@MW+15BP   | A3/A-/A-<br>NR/NR/NR                                      | 2,000,000         | 3.75%        | 07/15/2025            | 05/15/2025<br>100.00          | 75,000.00<br>3.87%                             | 5.61%<br>5.61%               | 1.69                 | 1,940,760.00<br>-3,580.00                        | 96.859               | 1,937,180.00<br>15,625.00                     | 3.21%                 |
| MORGAN STANLEY B/E<br>04.000% 072325<br>DTD072315 FC012316<br>CALL@MW+25BP       | A1/A+/A-<br>NR/NR/NR                                      | 1,800,000         | 4.00%        | 07/23/2025            |                               | 72,000.00<br>4.14%                             | 5.94%<br>5.94%               | 1.70                 | 1,798,200.00<br>-57,708.00                       | 96.694               | 1,740,492.00<br>13,400.00                     | 2.89%                 |
| COMCAST CORP NTS B/E<br>3.950% 101525 DTD100518<br>FC041519 CALL@MW+15BP         | A3/A-/A-<br>NR/NR/NR                                      | 1,000,000         | 3.95%        | 10/15/2025            | 08/15/2025<br>100.00          | 39,500.00<br>4.07%                             | 5.50%<br>5.50%               | 1.89                 | 968,230.00<br>2,080.00                           | 97.031               | 970,310.00<br>18,104.17                       | 1.61%                 |
| FFCB BOND 05.200 % DUE<br>110325 DTD 110322 FC<br>05032023                       | Aaa/AA+/AA+<br>NR/NR/NR                                   | 1,300,000         | 5.20%        | 11/03/2025            | 11/03/2023<br>100.00          | 67,600.00<br>5.26%                             | 5.79%<br>5.79%               | 1.91                 | 1,299,350.00<br>-14,274.00                       | 98.852               | 1,285,076.00<br>27,603.33                     | 2.13%                 |
| <b>Total 2025</b>  |   | <b>11,100,000</b> | <b>3.68%</b> | <b>06/04/2025</b>     |                               | <b>\$407,850.00</b><br><b>3.79%</b>            | <b>5.76%</b><br><b>5.76%</b> | <b>1.57</b>          | <b>\$11,049,808.97</b><br><b>\$-296,212.97</b>   |                      | <b>\$10,753,596.00</b><br><b>\$110,730.42</b> | <b>17.83%</b>         |

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023

Page 12 of 21



## Bond Holdings

as of September 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

|  | Effective rating/<br>Underlying rating<br>(Mdy/Fitch/S&P) | Quantity         | Coupon       | Effective<br>maturity | Call date/<br>Call price (\$) | Est. annual<br>income (\$)/<br>Curr. yield (%) | YTM (%)/<br>YTW (%)          | Modified<br>duration | Adjusted<br>cost basis (\$)/<br>Unreal. g/l (\$) | Market<br>price (\$) | Mkt. value (\$)/<br>Accr. interest (\$)     | % of<br>bond<br>port. |
|--|---|------------------|--------------|-----------------------|-------------------------------|--|------------------------------|----------------------|--|----------------------|---|-----------------------|
| <b>Maturing 2026</b>   |   |                  |              |                       |                               |  |                              |                      |  |                      |   |                       |
| LOCKHEED MARTIN CORP<br>B/E 03.550% 011526<br>DTD112315 FC071516<br>CALL@MW+20BP | A2/A-/A-<br>NR/NR/NR                                      | 1,500,000        | 3.55%        | 01/15/2026            | 10/15/2025<br>100.00          | 53,250.00<br>3.69%                             | 5.31%<br>5.31%               | 2.14                 | 1,445,685.00<br>-1,995.00                        | 96.246               | 1,443,690.00<br>11,093.75                   | 2.39%                 |
| BANK OF AMER CORP NTS<br>03.500% 041926<br>DTD041916 FC101916 B/E                | A1/AA-/A-<br>NR/NR/NR                                     | 1,650,000        | 3.50%        | 04/19/2026            |                               | 57,750.00<br>3.71%                             | 5.88%<br>5.88%               | 2.35                 | 1,581,525.00<br>-23,496.00                       | 94.426               | 1,558,029.00<br>25,827.08                   | 2.58%                 |
| PROLOGIS NTS B/E 03.250%<br>063026 DTD063022<br>FC123022 CALL@MW+30BP            | A3/NR/A<br>NR/NR/NR                                       | 1,250,000        | 3.25%        | 06/30/2026            | 03/30/2026<br>100.00          | 40,625.00<br>3.45%                             | 5.52%<br>5.52%               | 2.56                 | 1,183,125.00<br>-4,662.50                        | 94.277               | 1,178,462.50<br>10,156.25                   | 1.95%                 |
| ARCHER-DANIELS-MIDL& CO<br>02.500% 081126<br>DTD081116 FC021117<br>CALL@MW+15BP  | A2/A/A<br>NR/NR/NR  | 1,500,000        | 2.50%        | 08/11/2026            | 05/11/2026<br>100.00          | 37,500.00<br>2.69%                             | 5.16%<br>5.16%               | 2.70                 | 1,425,765.00<br>-30,855.00                       | 92.994               | 1,394,910.00<br>5,104.17                    | 2.31%                 |
| WALT DISNEY<br>COMPANY/THE 03.375%<br>111526 DTD111519<br>CALL@MW+20BP           | A2/A-/A-<br>NR/NR/NR                                      | 1,350,000        | 3.38%        | 11/15/2026            | 08/15/2026<br>100.00          | 45,562.50<br>3.58%                             | 5.39%<br>5.39%               | 2.87                 | 1,278,828.00<br>-6,129.00                        | 94.274               | 1,272,699.00<br>17,085.94                   | 2.11%                 |
| FFCB BOND 05.540 % DUE<br>120126 DTD 060123 FC<br>12012023                       | Aaa/AA+/AA+<br>NR/NR/NR                                   | 1,050,000        | 5.54%        | 12/01/2026            |                               | 58,170.00<br>5.60%                             | 5.93%<br>5.93%               | 2.81                 | 1,046,587.50<br>-8,347.50                        | 98.880               | 1,038,240.00<br>19,228.42                   | 1.72%                 |
| <b>Total 2026</b>  |   | <b>8,300,000</b> | <b>3.54%</b> | <b>07/06/2026</b>     |                               | <b>\$292,857.50</b><br><b>3.71%</b>            | <b>5.52%</b><br><b>5.52%</b> | <b>2.55</b>          | <b>\$7,961,515.50</b><br><b>\$-75,485.00</b>     |                      | <b>\$7,886,030.50</b><br><b>\$88,495.60</b> | <b>13.07%</b>         |
| <b>Maturing 2027</b>   |   |                  |              |                       |                               |  |                              |                      |  |                      |   |                       |
| MORGAN STANLEY B/E<br>03.625% 012027<br>DTD012017 FC072017                       | A1/A+/A-<br>NR/NR/NR                                      | 1,000,000        | 3.63%        | 01/20/2027            | 11/15/2026<br>100.00          | 36,250.00<br>3.88%                             | 5.86%<br>5.86%               | 3.02                 | 913,100.00<br>20,480.00                          | 93.358               | 933,580.00<br>7,048.61                      | 1.55%                 |
| AMAZON.COM INC NTS B/E<br>03.300% 041327<br>DTD041322 FC101322<br>CALL@MW+10BP   | A1/AA-/AA<br>NR/NR/NR                                     | 1,000,000        | 3.30%        | 04/13/2027            | 03/13/2027<br>100.00          | 33,000.00<br>3.51%                             | 5.14%<br>5.14%               | 3.22                 | 942,880.00<br>-1,880.00                          | 94.100               | 941,000.00<br>15,308.33                     | 1.56%                 |

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023

Page 13 of 21



## Bond Holdings

as of September 30, 2023 (continued)

EX XX120 • BOND PORTFOLIO • Portfolio Management Program

Prepared for: Kern Health Systems

Risk profile: Conservative

Return Objective: Current Income

|   | Effective rating/<br>Underlying rating<br>(Mdy/Fitch/S&P) | Quantity          | Coupon       | Effective<br>maturity | Call date/<br>Call price (\$) | Est. annual<br>income (\$)/<br>Curr. yield (%) | YTM (%)/<br>YTW (%)          | Modified<br>duration | Adjusted<br>cost basis (\$)/<br>Unreal. g/l (\$) | Market<br>price (\$) | Mkt. value (\$)/<br>Accr. interest (\$)                                 | % of<br>bond<br>port. |
|---|---|-------------------|--------------|-----------------------|-------------------------------|--|------------------------------|----------------------|--|----------------------|---|-----------------------|
| <b>Maturing 2027</b>  |   |                   |              |                       |                               |  |                              |                      |  |                      |   |                       |
| QUALCOMM INC NTS B/E<br>03.250% 052027<br>DTD052617 FC112017 CALL<br>@MW+20BP   | A2/NR/A<br>NR/NR/NR                                       | 350,000           | 3.25%        | 05/20/2027            | 02/20/2027<br>100.00          | 11,375.00<br>3.48%                             | 5.30%<br>5.30%               | 3.32                 | 336,483.00<br>-9,957.50                          | 93.293               | 326,525.50<br>4,107.64  | 0.54%                 |
| META PLATFORMS INC NTS<br>03.500% 081527<br>DTD080922 FC021523<br>CALL@MW+15BP  | A1/NR/AA-<br>NR/NR/NR                                     | 1,500,000         | 3.50%        | 08/15/2027            | 07/15/2027<br>100.00          | 52,500.00<br>3.71%                             | 5.13%<br>5.13%               | 3.54                 | 1,446,825.00<br>-31,965.00                       | 94.324               | 1,414,860.00<br>6,562.50  | 2.35%                 |
| <b>Total 2027</b>   |   | <b>3,850,000</b>  | <b>3.46%</b> | <b>05/14/2027</b>     |                               | <b>\$133,125.00</b><br><b>3.68%</b>            | <b>5.34%</b><br><b>5.34%</b> | <b>3.30</b>          | <b>\$3,639,288.00</b><br><b>-\$23,322.50</b>     |                      | <b>\$3,615,965.50</b><br><b>\$33,027.08</b>                             | <b>5.99%</b>          |
| <b>Maturing 2028</b>  |   |                   |              |                       |                               |  |                              |                      |  |                      |   |                       |
| ESTEE LAUDER CO INC NTS<br>04.375% 051528<br>DTD051223 FC111523<br>CALL@MW+15BP | A1/NR/A+<br>NR/NR/NR                                      | 1,500,000         | 4.38%        | 05/15/2028            | 04/15/2028<br>100.00          | 65,625.00<br>4.54%                             | 5.28%<br>5.28%               | 4.05                 | 1,493,730.00<br>-48,750.00                       | 96.332               | 1,444,980.00<br>25,156.25   | 2.40%                 |
| <b>Total 2028</b>   |   | <b>1,500,000</b>  | <b>4.38%</b> | <b>05/15/2028</b>     |                               | <b>\$65,625.00</b><br><b>4.54%</b>             | <b>5.28%</b><br><b>5.28%</b> | <b>4.05</b>          | <b>\$1,493,730.00</b><br><b>-\$48,750.00</b>     |                      | <b>\$1,444,980.00</b><br><b>\$25,156.25</b>                             | <b>2.40%</b>          |
| <b>Total Bond Portfolio</b>   |   | <b>62,375,000</b> | <b>2.67%</b> | <b>03/19/2025</b>     | <b>N/A</b>                    | <b>\$1,668,363.75</b><br><b>2.77%</b>          | <b>5.69%</b><br><b>5.69%</b> | <b>1.37</b>          | <b>\$61,961,299.45</b><br><b>-\$1,642,137.45</b> | <b>N/A</b>           | <b>\$60,319,162.00</b><br><b>\$521,364.80</b><br><b>\$60,840,526.80</b> | <b>100%</b>           |

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.

Report created on: October 20, 2023



## Additional Information About Your Portfolio

as of September 30, 2023

### Benchmark Composition

#### Account EX XX120

##### Blended Index

**Start - 05/15/2017:** 50% BBG US Gvt 1-3 Y; 50% BBG USAgg GvtCr 1-5Y  
**05/15/2017 - 05/31/2018:** 100% BBG Agg Bond  
**05/31/2018 - 11/04/2019:** 100% BBG Agg Bond  
**11/04/2019 - 06/30/2023:** 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y  
**06/30/2023 - Current:** 45% BBG US Corp 1-3Y Incp76; 55% BBG US Agg Gvt & CR 1-3 Y

##### Blended Index 2

**Start - Current:** 30% BofA 1Y Trs Note; 40% BofA US Corp 1-3Y A-AAA; 30% US Treasury Bill - 3 Mos

EX XX120 • BOND PORTFOLIO • Portfolio Management Program  
Prepared for Kern Health Systems  
Risk profile: Conservative  
Return Objective: Current Income



## Disclosures Applicable to Accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS account statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports. You should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

In our attempt to provide you with the highest quality information available, we have compiled this report using data obtained from recognized statistical sources and authorities in the financial industry. While we believe this information to be reliable, we cannot make any representations regarding its accuracy or completeness. Please keep this guide as your Advisory Review.

Please keep in mind that most investment objectives are long term. Although it is important to evaluate your portfolio's performance over multiple time periods, we believe the greatest emphasis should be placed on the longer period returns.

Please review the report content carefully and contact your Financial Advisor with any questions.

**Client Accounts:** This report may include all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your account records.

**Performance:** This report presents account activity and performance depending on which inception type you've chosen. The two options are: (1) All Assets (Since Performance Start): This presents performance for all assets since the earliest possible date; (2) Advisory Assets (Advisory Strategy Start) for individual advisory accounts: This presents Advisory level performance since the Latest Strategy Start date; If an account that has never been managed is included in the consolidated report, the total performance of that unmanaged account will be included since inception.

**Time-weighted Returns for accounts / SWP/AAP sleeves (Monthly periods):** The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cash flow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized. This applies to all performance for all assets before 09/30/2010, Advisory assets before 12/31/2010 and SWP sleeves before 04/30/2018.

**Time-weighted Returns for accounts / SWP/AAP sleeves (Daily periods):** The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value plus the net value of cash flows that occurred during the day, if it was positive. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized. For reports generated prior to 01/26/2018, the performance calculations used the account's end of day value on the performance inception (listed in the report under the column "ITD") and all cash flows were posted at end of day. As a result of the change, the overall rate of return (TWR) and beginning market value displayed can vary from prior generated reports. This applies to all performance for all assets on or after 09/30/2010, Advisory assets on or after 12/31/2010, SWP/AAP sleeves on or after 04/30/2018 as well as all Asset Class and Security level returns.

**Money-weighted returns:** Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure of returns on a portfolio.

**Annualized Performance:** All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

**Cumulative Performance:** A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

**Net of Fees and Gross of Fees Performance:** Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance. It should also be noted that where gross returns are compared to an index, the index performance also does not reflect any transaction costs, which would lower the performance results. Market index data maybe subject to review and revision.

**Benchmark/Major Indices:** The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. Although most portfolios use indices as benchmarks, portfolios are actively managed and generally are not restricted to investing only in securities in the index. As a result, your





## Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

portfolio holdings and performance may vary substantially from the index. Each index reflects an unmanaged universe of securities without any deduction for advisory fees or other expenses that would reduce actual returns, as well as the reinvestment of all income and dividends. An actual investment in the securities included in the index would require an investor to incur transaction costs, which would lower the performance results. Indices are not actively managed and investors cannot invest directly in the indices. Market index data may be subject to review and revision. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

**Blended Index** – For Advisory accounts, Blended Index is designed to reflect the asset categories in which your account is invested. For Brokerage accounts, you have the option to select any benchmark from the list.

For certain products, the blended index represents the investment style corresponding to your client target allocation. If you change your client target allocation, your blended index will change in step with your change to your client target allocation.

Blended Index 2 - 8 - are optional indices selected by you which may consist of a blend of indexes. For advisory accounts, these indices are for informational purposes only. Depending on the selection, the benchmark selected may not be an appropriate basis for comparison of your portfolio based on its holdings.

For strategies that are highly customized, such as Concentrated Equity Solutions (CES), benchmarks are broad market indices included for general reference and are not intended to show comparative market performance or potential portfolios with risk or return profiles similar to your account. Benchmark indices are shown for illustrative purposes only.

**Custom Time Periods:** If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result, only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

**Net Deposits/Withdrawals:** When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement. When shown on Client summary and/or Portfolio review report, program fees (including wrap fees) may not be included in net deposits/withdrawals. PACE Program fees paid from sources other than your PACE account are treated as a contribution. A PACE Program Fee rebate that is not reinvested is treated as a withdrawal.

**Deposits:** When shown on a report, this information represents the net value of all cash and securities contributions added to your accounts from the first day to the last day of the period. On Client Summary Report and/or Portfolio Review Report, this may exclude the Opening balance. For security contributions, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts.

**Withdrawals:** When shown on a report, this information represents the net value of all cash and securities withdrawals subtracted from your accounts from the first day to the last day of the period. On Client summary and/or portfolio review report Withdrawals may not include program fees (including wrap fees). For security withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts.

**Dividends/Interest:** Dividend and interest earned, when shown on a report, does not include income on securities that have been lent out & does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

**Change in Accrued Interest:** When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

**Change in Value:** Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest. Change in Value may include program fees (including wrap fees) and other fees.

**Fees:** Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report.

**Performance Start Date Changes:** The Performance Start Date for accounts marked with a '^' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date. The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

**Closed Account Performance:** Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

**Important information on options-based strategies:** Options involve risk and are not suitable for everyone. Prior to buying or selling an option investors must read a copy of the Characteristics & Risks of Standardized Options, also known as the options disclosure document (ODD). It explains the characteristics and risks of



## Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

exchange traded options. The options risk disclosure document can be accessed at the following web address: [www.optionsclearing.com/about/publications/character-risks](http://www.optionsclearing.com/about/publications/character-risks).

Concentrated Equity Solutions (CES) managers are not involved in the selection of the underlying stock positions. The Manager will advise only on the options selection in order to pursue the strategy in connection with the underlying stock position(s) deposited in the account. It is important to keep this in mind when evaluating the manager's performance since the account's performance will include the performance of the underlying equity position that is not being managed. CES use options to seek to achieve your investment objectives regarding your concentration stock position. Options strategies change the potential return profile of your stock. In certain scenarios, such as call writing, the call position will limit your ability to participate in any potential increase in the underlying equity position upon which the call was written. Therefore, in some market conditions, particularly during periods of significant appreciation of the underlying equity position(s), the CES account will decrease the performance that would have been achieved had the stock been held long without implementing the CES strategy.

**Portfolio:** For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

**Percentage:** Portfolio (in the "% Portfolio / Total" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

**Tax lots:** This report displays security tax lots as either one line item (i.e., lumped tax lots) or as separate tax lot level information. If you choose to display security tax lots as one line item, the total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

**Pricing:** All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Report created on: October 20, 2023

**Cash:** Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

**Asset Allocation:** Your allocation analysis is based on your current portfolio. The Asset Allocation portion of this report shows the mix of various investment classes in your account. An asset allocation that shows a significantly higher percentage of equity investments may be more appropriate for an investor with a more aggressive investment strategy and higher tolerance for risk. Similarly, the asset allocation of a more conservative investor may show a higher percentage of fixed income investments.

**Separately Managed Accounts and Pooled Investment Vehicles** (such as mutual funds, closed end funds and exchanged traded funds): The asset classification displayed is based on firm's proprietary methodology for classifying assets. Please note that the asset classification assigned to rolled up strategies may include individual investments that provide exposure to other asset classes. For example, an International Developed Markets strategy may include exposure to Emerging Markets, and a US Large Cap strategy may include exposure to Mid Cap and Small Cap, etc.

**Mutual Fund Asset Allocation:** If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a daily basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

All pooled investment vehicles (such as mutual funds, closed end mutual funds, and exchange traded funds) incorporate internal management and operation expenses, which are reflected in the performance returns. Please see relevant fund prospectus for more information. Please note, performance for mutual funds is inclusive of multiple share classes.

**Ineligible Assets:** We require that you hold and purchase only eligible managed assets in your advisory accounts. Please contact your Financial Advisor for a list of the eligible assets in your program. These reports may provide performance information for eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your advisory assets. As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. Neither UBS nor your Financial Advisor will act as your investment adviser with respect to Ineligible Assets.

**Variable Annuity Asset Allocation:** If the option to unbundle a variable annuity is selected and if a variable annuity's holdings data is available, variable annuities will be classified by the asset class, subclass, and style breakdown for their underlying holdings. Where a variable annuity contains equity holdings from multiple equity



## Disclosures Applicable to Accounts at UBS Financial Services Inc. (continued)

sectors, this report will proportionately allocate the underlying holdings of the variable annuity to those sectors measured as a percentage of the total variable annuity's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a weekly basis to UBS FS based on data supplied by the variable annuity which may not be current. Portfolio holdings of variable annuities change on a regular (often daily) basis. Accordingly, any analysis that includes variable annuities may not accurately reflect the current composition of these variable annuities. If a variable annuity's underlying holding data is not available, it will remain classified as an annuity. All data is as of the date indicated in the report.

**Equity Style:** The Growth, Value and Core labels are determined by Morningstar. If an Equity Style is unclassified, it is due to non-availability of data required by Morningstar to assign it a particular style.

**Equity Capitalization:** Market Capitalization is determined by Morningstar. Equity securities are classified as Large Cap, Mid Cap or Small Cap by Morningstar. Unclassified securities are those for which no capitalization is available on Morningstar.

**Equity Sectors:** The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

**Classified Equity:** Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

**Estimated Annual Income:** The Estimated Annual Income is the dividend/interest rate paid by the investment solely as of the date of this report, annualized yearly per share and multiplied by the quantity of shares held in the selected account(s). For Expected Cash Flow and Portfolio Holdings reports prior to June 23, 2023, savings products & sweep funds do not display such calculations and instead, values are displayed as N/A. For all other reports, Estimated Annual Income for savings products & sweep funds is not calculated or factored into aggregate calculations and will be displayed as 0.

**Current Yield:** Current yield calculations display the current yield of the investment solely as of the date of this report, is defined as the estimated annual income divided by the total market value. For Portfolio Holdings report generated prior to June 23, 2023, savings products & sweep funds do not include such information and instead, values are displayed as N/A. For all other reports, Current Yield for savings products & sweep funds is not calculated or factored into aggregate calculations and will be displayed as 0.

**Bond Rating:** These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

**NR:** When NR is displayed under bond rating column, no ratings are currently available from that rating agency.

**High Yield:** This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

**Credit/Event Risk:** Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

**Interest Rate Risk:** Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

**Reinvestment Risk:** Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

**Call Provisions:** When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

**Effective Maturity:** Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

**Yields:** Yield to Maturity and Yield to Worst are calculated to the worst call.

**Accrued Interest:** Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

**Bond Averages:** All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

**Tax Status:** "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

**Cash Flow:** This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated – but prior to the report run ("As of") date – are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash



## Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

flows and do not in any way guarantee accuracy.

**Expected Cash Flow reporting for Puerto Rico Income Tax Purposes:** Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Bond sensitivity analysis:** This analysis uses Modified Duration which approximates the percentage price change of a security for a given change in yield. The higher the modified duration of a security, the higher its risk. For callable securities, modified duration does not address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

**Gain/Loss:** The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

**Gain/Loss reporting for Puerto Rico Income Tax Purposes:** Gain/(Loss) reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received gain/(loss) reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIRC) long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this report only, long term gains and losses are represented by assets held for a period of more than six (6) months. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers for purposes other than determining realized gain/loss for Puerto Rico income tax purposes. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Gain/Loss 60/40:** Index options listed in this report may be subject to IRS Tax Code - section 1256 categorizing them as broad-based index options. If so, the index may be eligible to be treated as 60% long term and 40% short terms for tax purposes. Please contact your tax professional to determine eligibility.

**Accounts Included in this Report:** The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page. If an account number begins with "@" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type

and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

Account name(s) displayed in this report and labels used for groupings of accounts can be customizable "nicknames" chosen by you to assist you with your recordkeeping or may have been included by your financial advisor for reference purposes only. The names used have no legal effect, are not intended to reflect any strategy, product, recommendation, investment objective or risk profile associated with your accounts or any group of accounts, and are not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

For more information about account or group names, or to make changes, contact your Financial Advisor.

**Account changes:** At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
  - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

**ADV disclosure:** A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

**Important information for former Piper Jaffray and McDonald Investments clients:** As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

Performance History prior to the account's inception at UBS Financial Services, Inc. may have been included in this report and is based on data provided by third party sources. UBS Financial Services Inc. has not independently verified this information nor does UBS Financial Services Inc. guarantee the accuracy or validity of



## Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

the information.

**Important information about brokerage and advisory services.** As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business, that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information, please review client relationship summary provided at [ubs.com/relationshipsummary](https://ubs.com/relationshipsummary).

### **UBS Financial Services account protection**

The Firm is a member of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). Explanatory brochure available upon request or at [www.sipc.org](https://www.sipc.org). The SIPC asset protection limits apply to all accounts that you hold in a particular capacity.

The Firm, together with certain affiliates, has also purchased supplemental insurance. The maximum amount payable to all eligible clients, collectively under this protection is \$500 million as of December 10, 2019. Subject to the policy conditions and limitations, cash at the Firm is further protected for up to \$1.9 million in the aggregate for all your accounts held in a particular capacity. A full copy of the policy wording is available upon request.

Neither the SIPC protection nor the supplemental protection apply to:

- Certain financial assets controlled by (and included in your account value) but held away from UBS Financial Services. For example certain (i) insurance products, including variable annuities, and (ii) shares of mutual funds registered in the name of the account holder on the books of the issuer or transfer agent);
- Investment contracts or investment interests (e.g., limited partnerships and private placements) that are not registered under the Securities Act of 1933;
- Commodities contracts (e.g., foreign exchange and precious metal contracts), including futures contracts and commodity option contracts;
- Securities on loan to UBS Financial Services; and
- Deposit accounts (except certificates of deposit) at UBS Bank USA, UBS AG U.S. branches and banks in the FDIC Insured Deposit Program.

The SIPC protection and the supplemental protection do not apply to these assets even if they otherwise appear on your statements. The SIPC protection and the supplemental protection do not protect against changes in the market value of your investments (whether as a result of market movement, issuer bankruptcy or otherwise).



Wells Fargo Bank, N.A.  
 333 SOUTH GRAND AVENUE  
 8TH FLOOR  
 LOS ANGELES CA 90071  
 JONATHAN CHUANG  
 1-213-253-6202

**Bank Account Statement**  
**Wells Fargo Bank, N.A.**

**Statement Period**  
**09/01/2023 - 09/30/2023**

KERN HEALTH SYSTEMS  
 2900 BUCK OWENS BOULEVARD

**Account Number**  
XXXXXXXXXX

**Account Value Summary USD**

This summary does not reflect the value of unpriced securities. Repurchase agreements are reflected at par value.

|   | Amount Last Statement Period | Amount This Statement Period | % Portfolio |
|---|------------------------------|------------------------------|-------------|
| Cash  | \$ 0.00                      | \$ 0.00                      | 0%          |
| Money Market Mutual Funds                           | 40,283,981.96                | 150,492,751.44               | 32%         |
| Bonds   | 235,047,772.39               | 320,808,237.08               | 68%         |
| Stocks  | 0.00                         | 0.00                         | 0%          |
| <b>Total Account Value</b>                          | <b>\$ 275,331,754.35</b>     | <b>\$ 471,300,988.52</b>     | <b>100%</b> |
| <b>Value Change Since Last Statement Period</b>     |                              | <b>\$ 195,969,234.17</b>     |             |
| <b>Percent Increase Since Last Statement Period</b> |                              | <b>71%</b>                   |             |
| <b>Value Last Year-End</b>                          |                              | <b>\$ 282,409,116.61</b>     |             |
| <b>Percent Increase Since Last Year-End</b>         |                              | <b>67%</b>                   |             |

**Income Summary USD**

|                                     | This Period          | Year-To-Date           |
|-------------------------------------|----------------------|------------------------|
| Interest                            | \$ 478,737.50        | \$ 2,310,711.53        |
| Dividends/Capital Gains             | 0.00                 | 0.00                   |
| Money Market Mutual Funds Dividends | 321,572.16           | 3,740,467.21           |
| Other                               | 0.00                 | 0.00                   |
| <b>Income Total</b>                 | <b>\$ 800,309.66</b> | <b>\$ 6,051,178.74</b> |

**Interest Charged USD**

| Description                       | This Period    |
|-----------------------------------|----------------|
| Debit Interest For September 2023 | 0.00           |
| <b>Total Interest Charged</b>     | <b>\$ 0.00</b> |

**Money Market Mutual Funds Summary USD**

| Description                          | Amount                   |
|--------------------------------------|--------------------------|
| <b>Opening Balance</b>               | <b>\$ 40,283,981.96</b>  |
| Deposits and Other Additions         | 375,218,737.50           |
| Distributions and Other Subtractions | (265,331,540.18)         |
| Dividends Reinvested                 | 321,572.16               |
| Change in Value                      | 0.00                     |
| <b>Closing Balance</b>               | <b>\$ 150,492,751.44</b> |

### Important Information

This statement is provided to customers of Wells Fargo Bank, N.A. (the "Bank"). Statements are provided monthly for accounts with transactions and/or security positions.

**Pricing:** Security and other asset prices shown on the statement are obtained from independent vendors or internal pricing models. While we believe the prices are reliable, we cannot guarantee their accuracy. The prices indicated herein are as of the stated valuation date, which may not be the date of this statement, and are subject to change without notice. For exchange-listed securities, the price provided is the closing price of the relevant security at month end. For unlisted securities, it is the "bid" price of the relevant security at month end. The prices of instruments that trade infrequently are estimated using similar securities for which prices are available. Prices on the statement may not necessarily be obtained when the asset is sold.

**Cash Balances:** Cash held at the Bank is not covered by SIPC, but is instead eligible for FDIC insurance of up to \$250,000 per depositor, per institution, in accordance with FDIC rules.

**Mutual Funds:** You have the right, in the course of normal business operations, to withdraw balances in the Bank Deposit Sweep or redeem shares of the money market mutual fund used in the sweep, subject to any open commitments in any of your accounts and have the proceeds returned to your accounts or remitted to you. Note, however, that as required by federal banking regulations, the banks in the Bank Deposit Sweep reserve the right to require seven days prior notice before permitting a transfer out of the Bank Deposit Sweep. In addition, the money market mutual funds in the sweep reserve the right to require one or more day's prior notice before permitting withdrawals. The Bank makes certain money market mutual funds available through the Bank Deposit Sweep and has

entered into agreements with the mutual fund companies with respect to the available funds. Mutual funds are sold by prospectus only. Please read the prospectus for further information including sales charges, deferred sales charges, withdrawal charges and management or other fees.

**Muni Substitute Interest:** With respect to transactions involving your purchase of a municipal security having interest that is exempt from federal and/or state income taxes, if you do not receive good delivery of such securities on settlement date (i.e., all requirements for transferring title from the seller to the buyer have occurred), the interest that you accrue from the settlement date of the transaction until you receive good delivery may be considered by the Internal Revenue Service ("IRS") to be taxable ("substitute") interest. If you sell such securities before receiving good delivery, the IRS may consider all of the interest that you accrue to be taxable. You should consult with your tax advisors regarding the tax implication of any such fail to receive scenario.

**Non-deposit investment products offered or sold by the Bank, including investments in mutual funds available through the Bank, are not federally insured or guaranteed by or obligations of the U.S. government, the Federal Deposit Insurance Corporation ("FDIC"), the Federal Reserve System or any other government agency; are not bank deposits; are not obligations of, or endorsed or guaranteed in any way by any bank or the Bank; and are subject to risk, including the possible loss of principal, that may cause the value of the investment and the investment return to fluctuate. When the investment is sold, the amount may be higher or lower than the amount originally invested.**

**Customer Complaints and Reporting Discrepancies:** All inquiries, statement reporting inaccuracies or discrepancies, or complaints regarding your account or the activity therein should be directed to:

Customer Service  
90 South 7<sup>th</sup> Street  
5th Floor, MAC N9303-054  
Minneapolis, MN 55402  
1-800-645-3751, option 5,  
WFSCustomerService@Wellsfargo.com.

To further protect their rights, customers should also re-confirm in writing to the above address any oral communications with the Bank relating to inaccuracies or discrepancies.

The Bank's financial statements are available upon request.

**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Portfolio Holdings** *Security positions held with Wells Fargo Bank N.A.*

| Security ID      | Description                 | Maturity Date | Coupon | Current Par / Original Par | Market Price* | Market Value  | Original Par Pledged** | Callable |
|------------------|-----------------------------|---------------|--------|----------------------------|---------------|---------------|------------------------|----------|
| <b>Bonds USD</b> |                             |               |        |                            |               |               |                        |          |
| 912797GV3        | UNITED STATES TREASURY BILL | 10/03/23      | 0.000% | 20,000,000.000             | 99.9854       | 19,997,078.80 |                        |          |
| 912796YJ2        | UNITED STATES TREASURY BILL | 10/05/23      | 0.000% | 50,000,000.000             | 99.9560       | 49,978,024.00 |                        |          |
| 313384NB1        | FED HOME LN DISCOUNT NT     | 10/17/23      | 0.000% | 20,000,000.000             | 99.7866       | 19,957,326.20 |                        | N        |
| 3130ATJB4        | FEDERAL HOME LOAN BANK      | 10/26/23      | 4.500% | 5,000,000.000              | 99.9217       | 4,996,083.05  |                        | Y        |
| 3130AUVB7        | FEDERAL HOME LOAN BANK      | 11/28/23      | 5.000% | 5,000,000.000              | 99.9041       | 4,995,207.05  |                        | Y        |
| 002824BE9        | ABBOTT LABORATORIES         | 11/30/23      | 3.400% | 6,269,000.000              | 99.5883       | 6,243,191.59  |                        | Y        |
| 3130AVH54        | FEDERAL HOME LOAN BANK      | 11/30/23      | 4.950% | 5,000,000.000              | 99.9176       | 4,995,880.05  |                        | Y        |
| 3130ATVJ3        | FEDERAL HOME LOAN BANK      | 12/06/23      | 5.000% | 5,000,000.000              | 99.8791       | 4,993,957.30  |                        | N        |
| 3130AVBE1        | FEDERAL HOME LOAN BANK      | 12/22/23      | 5.350% | 5,000,000.000              | 99.9576       | 4,997,882.15  |                        | Y        |
| 641062AQ7        | NESTLE HOLDINGS INC         | 01/15/24      | 0.375% | 3,000,000.000              | 98.4821       | 2,954,463.99  |                        | N        |
| 3130AVR87        | FEDERAL HOME LOAN BANK      | 01/26/24      | 5.125% | 5,000,000.000              | 99.8718       | 4,993,588.10  |                        | Y        |
| 3130AVH47        | FEDERAL HOME LOAN BANK      | 01/30/24      | 5.000% | 5,000,000.000              | 99.8171       | 4,990,854.90  |                        | Y        |
| 141781BP8        | CARGILL INC                 | 02/02/24      | 0.400% | 1,400,000.000              | 98.2247       | 1,375,146.12  |                        | Y        |
| 3130AVW40        | FEDERAL HOME LOAN BANK      | 02/08/24      | 5.150% | 5,000,000.000              | 99.8187       | 4,990,937.05  |                        | Y        |
| 3130AW3U2        | FEDERAL HOME LOAN BANK      | 02/22/24      | 5.050% | 5,000,000.000              | 99.7838       | 4,989,191.65  |                        | Y        |
| 3130AUZ23        | FEDERAL HOME LOAN BANK      | 03/01/24      | 5.250% | 5,000,000.000              | 99.8751       | 4,993,753.65  |                        | Y        |
| 771196BQ4        | ROCHE HOLDINGS INC          | 03/05/24      | 0.450% | 1,725,000.000              | 97.7939       | 1,686,944.33  |                        | Y        |
| 3130AWD64        | FEDERAL HOME LOAN BANK      | 03/07/24      | 5.250% | 5,000,000.000              | 99.8283       | 4,991,413.60  |                        | Y        |
| 717081ES8        | PFIZER INC                  | 03/15/24      | 2.950% | 1,800,000.000              | 98.7235       | 1,777,022.51  |                        | Y        |
| 3134GY6Z0        | FREDDIE MAC                 | 03/22/24      | 5.050% | 5,000,000.000              | 99.7475       | 4,987,374.85  |                        | Y        |
| 3130AWHA1        | FEDERAL HOME LOAN BANK      | 04/12/24      | 5.350% | 5,000,000.000              | 99.7714       | 4,988,568.15  |                        | Y        |
| 3135GAGV7        | FANNIE MAE                  | 04/26/24      | 5.125% | 10,000,000.000             | 99.7361       | 9,973,613.10  |                        | Y        |
| 3135GAHK0        | FANNIE MAE                  | 05/08/24      | 5.000% | 5,000,000.000              | 99.6505       | 4,982,523.35  |                        | Y        |
| 717081DM2        | PFIZER INC                  | 05/15/24      | 3.400% | 1,000,000.000              | 98.5626       | 985,625.77    |                        | N        |
| 3134GYS60        | FREDDIE MAC                 | 06/17/24      | 5.200% | 5,000,000.000              | 99.6140       | 4,980,699.20  |                        | Y        |
| 3135GAHX2        | FANNIE MAE                  | 06/28/24      | 5.330% | 5,000,000.000              | 99.6473       | 4,982,365.50  |                        | Y        |
| 3135GAG47        | FANNIE MAE                  | 07/12/24      | 5.050% | 10,000,000.000             | 99.5295       | 9,952,949.80  |                        | Y        |
| 3134GYEM0        | FREDDIE MAC                 | 07/19/24      | 4.800% | 5,000,000.000              | 99.3166       | 4,965,829.00  |                        | Y        |
| 3135GAJA0        | FANNIE MAE                  | 07/19/24      | 5.400% | 5,000,000.000              | 99.7177       | 4,985,886.25  |                        | Y        |
| 3135GAJ85        | FANNIE MAE                  | 07/19/24      | 5.500% | 5,000,000.000              | 99.7312       | 4,986,558.95  |                        | Y        |
| 3134GYJM5        | FREDDIE MAC                 | 08/28/24      | 5.050% | 5,000,000.000              | 99.3511       | 4,967,554.40  |                        | Y        |
| 191216CL2        | COCA-COLA CO/THE            | 09/06/24      | 1.750% | 3,000,000.000              | 96.5118       | 2,895,352.98  |                        | N        |



**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Portfolio Holdings (Continued)** *Security positions held with Wells Fargo Bank N.A.*

| Security ID      | Description              | Maturity Date | Coupon | Current Par / Original Par | Market Price* | Market Value   | Original Par Pledged** | Callable |
|------------------|--------------------------|---------------|--------|----------------------------|---------------|----------------|------------------------|----------|
| <b>Bonds USD</b> |                          |               |        |                            |               |                |                        |          |
| 771196BE1        | ROCHE HOLDINGS INC       | 09/30/24      | 3.350% | 1,000,000.000              | 97.7996       | 977,995.87     |                        | Y        |
| 3135GAJL6        | FANNIE MAE               | 10/30/24      | 5.500% | 5,000,000.000              | 99.5982       | 4,979,911.55   |                        | Y        |
| 3133EPTK1        | FEDERAL FARM CREDIT BANK | 11/21/24      | 5.500% | 5,000,000.000              | 99.9207       | 4,996,035.00   |                        | Y        |
| 3135GAJ36        | FANNIE MAE               | 12/27/24      | 5.500% | 5,000,000.000              | 99.5064       | 4,975,318.55   |                        | Y        |
| 3135GAJ28        | FANNIE MAE               | 01/10/25      | 5.350% | 5,000,000.000              | 99.4059       | 4,970,295.30   |                        | Y        |
| 3134GYP63        | FREDDIE MAC              | 01/13/25      | 5.000% | 5,000,000.000              | 99.0137       | 4,950,685.65   |                        | Y        |
| 3130AWN1         | FEDERAL HOME LOAN BANK   | 01/27/25      | 5.550% | 5,000,000.000              | 99.4547       | 4,972,736.55   |                        | Y        |
| 3135GAH20        | FANNIE MAE               | 01/27/25      | 5.250% | 5,000,000.000              | 99.2331       | 4,961,656.05   |                        | Y        |
| 3135GAHT1        | FANNIE MAE               | 02/24/25      | 5.250% | 3,000,000.000              | 99.1906       | 2,975,717.82   |                        | Y        |
| 3134GXS88        | FREDDIE MAC              | 02/28/25      | 4.000% | 5,000,000.000              | 97.8604       | 4,893,020.95   |                        | Y        |
| 3134GYQP0        | FREDDIE MAC              | 05/01/25      | 5.375% | 5,000,000.000              | 99.2601       | 4,963,003.55   |                        | Y        |
| 3134GYRH7        | FREDDIE MAC              | 05/15/25      | 5.300% | 5,000,000.000              | 99.1570       | 4,957,848.65   |                        | Y        |
| 3134GYSG8        | FREDDIE MAC              | 05/22/25      | 5.050% | 5,000,000.000              | 98.9174       | 4,945,868.00   |                        | Y        |
| 3133EPQP3        | FEDERAL FARM CREDIT BANK | 07/24/25      | 5.330% | 5,000,000.000              | 99.2362       | 4,961,809.65   |                        | Y        |
| 3134GYWV0        | FREDDIE MAC              | 07/25/25      | 5.600% | 5,000,000.000              | 99.5828       | 4,979,142.10   |                        | Y        |
| 3134GYS94        | FREDDIE MAC              | 05/15/26      | 5.000% | 5,000,000.000              | 98.3782       | 4,918,910.90   |                        | Y        |
| 3134GYZA3        | FREDDIE MAC              | 08/14/26      | 5.500% | 5,000,000.000              | 99.3141       | 4,965,706.55   |                        | Y        |
| 3134GYZ54        | FREDDIE MAC              | 08/14/26      | 5.875% | 5,000,000.000              | 99.3453       | 4,967,266.75   |                        | Y        |
| 3130AX5H7        | FEDERAL HOME LOAN BANK   | 09/11/26      | 5.500% | 5,000,000.000              | 99.8492       | 4,992,457.95   |                        | Y        |
| 3134H1CK7        | FREDDIE MAC              | 09/25/26      | 5.050% | 5,000,000.000              | 99.4000       | 4,970,002.30   |                        | Y        |
|                  |                          |               |        | 322,194,000.000            |               | 320,808,237.08 | 0.00                   |          |

\*See important information regarding security pricing on Page 2.

\*\*Total amount that is pledged to or held for another party or parties. Refer to the Pledge Detail Report for more information.

**Daily Account Activity**

Your investment transactions during this statement period.

| Transaction / Trade Date | Settlement / Effective Date | Activity         | Security ID | Description        | Par / Quantity | Price      | Principal Amount | Income Amount | Debit / Credit Amount |
|--------------------------|-----------------------------|------------------|-------------|--------------------|----------------|------------|------------------|---------------|-----------------------|
| 09/06/23                 | 09/08/23                    | Security Receipt | 771196BQ4   | ROCHE HOLDINGS INC | 1,725,000.00   | 97.5060000 | (1,681,978.50)   | (64.69)       | (1,682,043.19)        |

**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Daily Account Activity (Continued)**

Your investment transactions during this statement period.

| Transaction / Trade Date        | Settlement / Effective Date | Activity         | Security ID | Description                 | Par / Quantity | Price       | Principal Amount | Income Amount | Debit / Credit Amount |
|---------------------------------|-----------------------------|------------------|-------------|-----------------------------|----------------|-------------|------------------|---------------|-----------------------|
| <b>Transaction Activity USD</b> |                             |                  |             |                             |                |             |                  |               |                       |
| 09/06/23                        | 09/11/23                    | Security Receipt | 3130AX5H7   | FEDERAL HOME LOAN BANK      | 5,000,000.00   | 100.0000000 | (5,000,000.00)   | 0.00          | (5,000,000.00)        |
| 09/07/23                        | 09/11/23                    | Security Receipt | 641062AQ7   | NESTLE HOLDINGS INC         | 3,000,000.00   | 98.2050000  | (2,946,150.00)   | (1,750.00)    | (2,947,900.00)        |
| 09/08/23                        | 09/12/23                    | Security Receipt | 141781BP8   | CARGILL INC                 | 1,400,000.00   | 97.9900000  | (1,371,860.00)   | (622.22)      | (1,372,482.22)        |
| 09/13/23                        | 09/13/23                    | Security Receipt | 912797GU5   | UNITED STATES TREASURY BILL | 20,000,000.00  | 99.8122222  | (19,962,444.44)  | 0.00          | (19,962,444.44)       |
| 09/14/23                        | 09/14/23                    | Security Receipt | 912797GV3   | UNITED STATES TREASURY BILL | 20,000,000.00  | 99.7255556  | (19,945,111.11)  | 0.00          | (19,945,111.11)       |
| 09/18/23                        | 09/18/23                    | Security Receipt | 912796YJ2   | UNITED STATES TREASURY BILL | 50,000,000.00  | 99.7539722  | (49,876,986.11)  | 0.00          | (49,876,986.11)       |
| 09/14/23                        | 09/19/23                    | Security Receipt | 717081DM2   | PFIZER INC                  | 1,000,000.00   | 98.6077000  | (986,077.00)     | (11,616.67)   | (997,693.67)          |
| 09/18/23                        | 09/25/23                    | Security Receipt | 3134H1CK7   | FREDDIE MAC                 | 5,000,000.00   | 99.4000000  | (4,970,000.00)   | 0.00          | (4,970,000.00)        |
| 09/25/23                        | 09/27/23                    | Security Receipt | 771196BE1   | ROCHE HOLDINGS INC          | 1,000,000.00   | 97.8310000  | (978,310.00)     | (16,470.83)   | (994,780.83)          |
| 09/27/23                        | 09/28/23                    | Security Receipt | 313384NB1   | FED HOME LN DISCOUNT NT     | 20,000,000.00  | 99.7239722  | (19,944,794.44)  | 0.00          | (19,944,794.44)       |
| 09/27/23                        | 09/29/23                    | Security Receipt | 191216CL2   | COCA-COLA COTHE             | 3,000,000.00   | 96.4650000  | (2,893,950.00)   | (3,354.17)    | (2,897,304.17)        |

**Income / Payment Activity USD**

|          |          |          |           |                             |                 |  |               |            |               |
|----------|----------|----------|-----------|-----------------------------|-----------------|--|---------------|------------|---------------|
| 09/01/23 | 09/01/23 | Interest | 3130AUZ23 | FEDERAL HOME LOAN BANK      |                 |  |               | 131,250.00 | 131,250.00    |
| 09/06/23 | 09/06/23 | Matured  | 313312LJ7 | FEDERAL FARM CREDIT BANK    |                 |  | 10,000,000.00 |            | 10,000,000.00 |
| 09/06/23 | 09/06/23 | Matured  | 313312LJ7 | FEDERAL FARM CREDIT BANK    | (10,000,000.00) |  |               |            |               |
| 09/15/23 | 09/15/23 | Interest | 717081ES8 | PFIZER INC                  |                 |  |               | 26,550.00  | 26,550.00     |
| 09/26/23 | 09/26/23 | Matured  | 912797GU5 | UNITED STATES TREASURY BILL | (20,000,000.00) |  |               |            |               |
| 09/26/23 | 09/26/23 | Matured  | 912797GU5 | UNITED STATES TREASURY BILL |                 |  | 20,000,000.00 |            | 20,000,000.00 |
| 09/27/23 | 09/27/23 | Matured  | 3130AU4F8 | FEDERAL HOME LOAN BANK      |                 |  | 5,000,000.00  |            | 5,000,000.00  |
| 09/27/23 | 09/27/23 | Matured  | 3130AU4F8 | FEDERAL HOME LOAN BANK      | (5,000,000.00)  |  |               |            |               |
| 09/27/23 | 09/27/23 | Interest | 3130AU4F8 | FEDERAL HOME LOAN BANK      |                 |  |               | 60,937.50  | 60,937.50     |
| 09/27/23 | 09/27/23 | Matured  | 3130AU4F8 | FEDERAL HOME LOAN BANK      |                 |  | 5,000,000.00  |            | 5,000,000.00  |
| 09/27/23 | 09/27/23 | Matured  | 3130AU4F8 | FEDERAL HOME LOAN BANK      | (5,000,000.00)  |  |               |            |               |
| 09/27/23 | 09/27/23 | Interest | 3130AU4F8 | FEDERAL HOME LOAN BANK      |                 |  |               | 121,250.00 | 121,250.00    |
| 09/28/23 | 09/28/23 | Matured  | 3130AVDJ8 | FEDERAL HOME LOAN BANK      |                 |  | 5,000,000.00  |            | 5,000,000.00  |
| 09/28/23 | 09/28/23 | Matured  | 3130AVDJ8 | FEDERAL HOME LOAN BANK      | (5,000,000.00)  |  |               |            |               |
| 09/28/23 | 09/28/23 | Interest | 3130AVDJ8 | FEDERAL HOME LOAN BANK      |                 |  |               | 138,750.00 | 138,750.00    |

**Cash Activity USD**

| Transaction / Trade Date | Settlement / Eff. Date | Activity            | Description    | Debit Amount / Disbursements | Credit Amount / Receipts |
|--------------------------|------------------------|---------------------|----------------|------------------------------|--------------------------|
| 09/06/23                 | 09/06/23               | ACH/DDA Transaction | DESIGNATED DDA | 20,000,000.00                |                          |
| 09/07/23                 | 09/07/23               | ACH/DDA Transaction | DESIGNATED DDA |                              | 65,000,000.00            |
| 09/07/23                 | 09/07/23               | ACH/DDA Transaction | DESIGNATED DDA |                              | 65,000,000.00            |
| 09/12/23                 | 09/12/23               | ACH/DDA Transaction | DESIGNATED DDA | 19,000,000.00                |                          |
| 09/15/23                 | 09/15/23               | ACH/DDA Transaction | DESIGNATED DDA | 2,000,000.00                 |                          |
| 09/18/23                 | 09/18/23               | ACH/DDA Transaction | DESIGNATED DDA | 2,500,000.00                 |                          |

**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Daily Account Activity (Continued)**

Your investment transactions during this statement period.

**Cash Activity USD**

| Transaction / Trade Date | Settlement / Eff. Date | Activity            | Description    | Debit Amount / Disbursements | Credit Amount / Receipts |
|--------------------------|------------------------|---------------------|----------------|------------------------------|--------------------------|
| 09/19/23                 | 09/19/23               | ACH/DDA Transaction | DESIGNATED DDA | 20,000,000.00                |                          |
| 09/20/23                 | 09/20/23               | ACH/DDA Transaction | DESIGNATED DDA |                              | 100,000,000.00           |
| 09/20/23                 | 09/20/23               | ACH/DDA Transaction | DESIGNATED DDA |                              | 100,000,000.00           |
| 09/25/23                 | 09/25/23               | ACH/DDA Transaction | DESIGNATED DDA | 5,000,000.00                 |                          |
| 09/26/23                 | 09/26/23               | ACH/DDA Transaction | DESIGNATED DDA | 20,000,000.00                |                          |
| 09/27/23                 | 09/27/23               | ACH/DDA Transaction | DESIGNATED DDA | 20,000,000.00                |                          |
| 09/29/23                 | 09/29/23               | ACH/DDA Transaction | DESIGNATED DDA | 26,500,000.00                |                          |

**Money Market Fund Activity**

**Morgan Stan TreasSvc 8314**

\*As of September 30, 2023

USD

Dividend paid this period

7 day\* simple yield

30 day\* simple yield

266.59

5.160%

5.150%

| Transaction Date | Activity                 | Shares    | Price         | Market Value (\$) | Dividend Amount | Share Balance       |
|------------------|--------------------------|-----------|---------------|-------------------|-----------------|---------------------|
|                  | <b>Beginning Balance</b> |           | <b>1.0000</b> | <b>60,990.50</b>  |                 | <b>60,990.50000</b> |
| 09/01/23         | Reinvest                 | 266.59000 |               |                   | 266.59          | 61,257.09000        |
|                  | <b>Ending Balance</b>    |           | <b>1.0000</b> | <b>61,257.09</b>  |                 | <b>61,257.09000</b> |

**Goldman FS Tr Ob Ins 468**

\*As of September 30, 2023

USD

Dividend paid this period

7 day\* simple yield

30 day\* simple yield

163,879.71

5.220%

5.220%

| Transaction Date | Activity                 | Shares             | Price         | Market Value (\$)    | Dividend Amount | Share Balance           |
|------------------|--------------------------|--------------------|---------------|----------------------|-----------------|-------------------------|
|                  | <b>Beginning Balance</b> |                    | <b>1.0000</b> | <b>15,152,434.29</b> |                 | <b>15,152,434.29000</b> |
| 09/01/23         | Purchase                 | 131,250.00000      |               | 131,250.00           |                 | 15,283,684.29000        |
| 09/01/23         | Reinvest                 | 163,879.71000      |               |                      | 163,879.71      | 15,447,564.00000        |
| 09/06/23         | Purchase                 | 10,000,000.00000   |               | 10,000,000.00        |                 | 25,447,564.00000        |
| 09/07/23         | Purchase                 | 65,000,000.00000   |               | 65,000,000.00        |                 | 90,447,564.00000        |
| 09/08/23         | Redemption               | (1,682,043.19000)  |               | (1,682,043.19)       |                 | 88,765,520.81000        |
| 09/11/23         | Redemption               | (7,947,900.00000)  |               | (7,947,900.00)       |                 | 80,817,620.81000        |
| 09/12/23         | Redemption               | (1,372,482.22000)  |               | (1,372,482.22)       |                 | 79,445,138.59000        |
| 09/12/23         | Redemption               | (19,000,000.00000) |               | (19,000,000.00)      |                 | 60,445,138.59000        |
| 09/13/23         | Redemption               | (19,962,444.44000) |               | (19,962,444.44)      |                 | 40,482,694.15000        |
| 09/15/23         | Purchase                 | 26,550.00000       |               | 26,550.00            |                 | 40,509,244.15000        |

**KERN HEALTH SYSTEMS**

Account Number: ██████████

**Money Market Fund Activity (Continued)**

| Transaction Date      | Activity   | Shares             | Price         | Market Value (\$)    | Dividend Amount | Share Balance           |
|-----------------------|------------|--------------------|---------------|----------------------|-----------------|-------------------------|
| 09/15/23              | Redemption | (2,000,000.00000)  |               | (2,000,000.00)       |                 | 38,509,244.15000        |
| 09/18/23              | Redemption | (2,500,000.00000)  |               | (2,500,000.00)       |                 | 36,009,244.15000        |
| 09/19/23              | Redemption | (20,000,000.00000) |               | (20,000,000.00)      |                 | 16,009,244.15000        |
| 09/19/23              | Redemption | (997,693.67000)    |               | (997,693.67)         |                 | 15,011,550.48000        |
| 09/20/23              | Purchase   | 100,000,000.00000  |               | 100,000,000.00       |                 | 115,011,550.48000       |
| 09/25/23              | Redemption | (4,970,000.00000)  |               | (4,970,000.00)       |                 | 110,041,550.48000       |
| 09/25/23              | Redemption | (5,000,000.00000)  |               | (5,000,000.00)       |                 | 105,041,550.48000       |
| 09/26/23              | Purchase   | 20,000,000.00000   |               | 20,000,000.00        |                 | 125,041,550.48000       |
| 09/26/23              | Redemption | (20,000,000.00000) |               | (20,000,000.00)      |                 | 105,041,550.48000       |
| 09/27/23              | Redemption | (873,530.83000)    |               | (873,530.83)         |                 | 104,168,019.65000       |
| 09/27/23              | Purchase   | 10,060,937.50000   |               | 10,060,937.50        |                 | 114,228,957.15000       |
| 09/28/23              | Redemption | (19,806,044.44000) |               | (19,806,044.44)      |                 | 94,422,912.71000        |
| 09/28/23              | Purchase   | 5,000,000.00000    |               | 5,000,000.00         |                 | 99,422,912.71000        |
| 09/29/23              | Redemption | (2,897,304.17000)  |               | (2,897,304.17)       |                 | 96,525,608.54000        |
| 09/29/23              | Redemption | (26,500,000.00000) |               | (26,500,000.00)      |                 | 70,025,608.54000        |
| <b>Ending Balance</b> |            |                    | <b>1.0000</b> | <b>70,025,608.54</b> |                 | <b>70,025,608.54000</b> |

**JPMorgan UST Plus Inst 3918**

\*As of September 30, 2023

USD

Dividend paid  
this period

157,425.86

7 day\*  
simple yield

5.180%

30 day\*  
simple yield

5.170%

| Transaction Date         | Activity   | Shares             | Price         | Market Value (\$)    | Dividend Amount | Share Balance           |
|--------------------------|------------|--------------------|---------------|----------------------|-----------------|-------------------------|
| <b>Beginning Balance</b> |            |                    | <b>1.0000</b> | <b>25,070,557.17</b> |                 | <b>25,070,557.17000</b> |
| 09/01/23                 | Reinvest   | 157,425.86000      |               |                      | 157,425.86      | 25,227,983.03000        |
| 09/06/23                 | Redemption | (20,000,000.00000) |               | (20,000,000.00)      |                 | 5,227,983.03000         |
| 09/07/23                 | Purchase   | 65,000,000.00000   |               | 65,000,000.00        |                 | 70,227,983.03000        |
| 09/14/23                 | Redemption | (19,945,111.11000) |               | (19,945,111.11)      |                 | 50,282,871.92000        |
| 09/18/23                 | Redemption | (49,876,986.11000) |               | (49,876,986.11)      |                 | 405,885.81000           |
| 09/20/23                 | Purchase   | 100,000,000.00000  |               | 100,000,000.00       |                 | 100,405,885.81000       |
| 09/27/23                 | Redemption | (20,000,000.00000) |               | (20,000,000.00)      |                 | 80,405,885.81000        |
| <b>Ending Balance</b>    |            |                    | <b>1.0000</b> | <b>80,405,885.81</b> |                 | <b>80,405,885.81000</b> |



## PMIA/LAIF Performance Report as of 10/18/23



### Quarterly Performance Quarter Ended 09/30/23

|  |                     |
|--|---------------------|
| LAIF Apportionment Rate <sup>(2)</sup> :   | 3.59                |
| LAIF Earnings Ratio <sup>(2)</sup> :       | 0.00009812538629360 |
| LAIF Administrative Cost <sup>(1)*</sup> : | 0.29                |
| LAIF Fair Value Factor <sup>(1)</sup> :    | 0.986307739         |
| PMIA Daily <sup>(1)</sup> :                | 3.48                |
| PMIA Quarter to Date <sup>(1)</sup> :      | 3.42                |
| PMIA Average Life <sup>(1)</sup> :         | 256                 |

### PMIA Average Monthly Effective Yields<sup>(1)</sup>

|                  |              |
|------------------|--------------|
| <b>September</b> | <b>3.534</b> |
| August           | 3.434        |
| July             | 3.305**      |
| June             | 3.167        |
| May              | 2.993        |
| April            | 2.870        |

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 09/30/23 \$156.4 billion

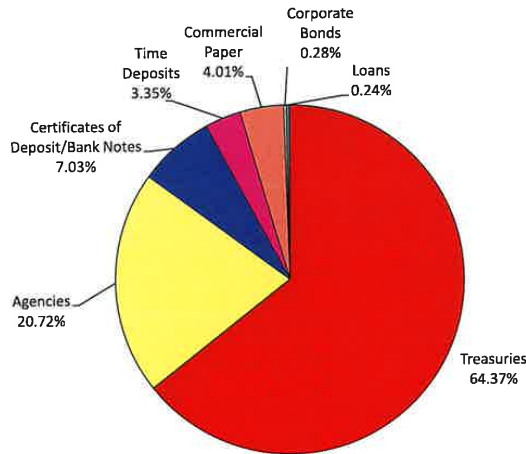


Chart does not include \$2,444,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

\*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

\*\* Revised

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller





---

**MEMORANDUM**

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Robert Landis, Chief Financial Officer  
**SUBJECT:** Annual Renewal of the Reinsurance Policy  
**DATE:** December 14, 2023

---

**Background**

Kern Health Systems (“KHS”) has purchased a reinsurance policy to mitigate the costs of catastrophic cases since the plan’s inception. The KHS population has changed significantly over the last several years with SPD members incurring high medical costs. Additionally, KHS will continue to be at risk for major organ transplants. This may pose an increase in catastrophic claims in 2024 along with the unknown longer term medical expenses relating to Covid-19.

**Discussion**

Over the last 3 completed years, KHS reinsurance recoveries have been lower than the reinsurance claim payments. For the policy years 2020, 2021 and 2022 KHS recovered approximately \$2.2 million in net reinsurance claims while paying reinsurance premiums of approximately \$2.6 million. **These 3 years represent an 86% ratio of recoveries to expense.**

Based on information through November 30, 2023, KHS has requested approximately \$778,712 in recoveries (which has been applied towards the annual aggregate deductible of \$970,466) against approximately \$1,139,242 in premiums paid. This represents a **0% ratio for this period and an overall cumulative ratio 64% for years 2020 through 2023.** We have until December 31, 2024 to turn in claims for the 2023 policy period.

The current 2023 Reinsurance Policy is with IOA Re (AM Best Rating A+ Superior Financial Rating; Financial Size Category X) and has a deductible of \$350,000, a blended rate of \$.27 pmpm and an aggregate deductible of \$.23 pmpm with an estimated total exposure of \$2,109,708. (This is comprised of \$1,139,242 for premiums and \$970,466 for the aggregate deductible).

**Fiscal Impact**

The lowest reinsurance quote is with the incumbent carrier IOA Re with a \$350,000 deductible, a blended rate of \$.28 pmpm and an aggregate deductible of \$.20 pmpm with an estimated total exposure of \$2,329,056. This is comprised of \$1,358,616 for paid premium and \$970,440 for the aggregate deductible. The 2024 rates include coverage for transplants and transplant evaluation outpatient services which was added in the 2023 policy.

Please note that while the per member per month rates are 4% less than the expiring policy, the estimated total exposure has increased due to an approximate 15% increase in membership.

KHS can lower the IOA Re premium to a blended rate of \$.23 pmpm and an aggregate deductible of \$.21 pmpm with an estimated total exposure of \$2,134,968. By increasing the deductible from \$350,000 to \$400,000 this would save approximately \$194,800 of reinsurance costs but would cost KHS an additional \$50,000 per member that reached the deductible. The savings of \$194,000 would be lost if the members reaching the \$400,000 deductible exceeds 4 members  $\$194,000 / \$50,000$  increase in deductible = 3.88). Based on utilization data with transplant risk exceeding \$400,000, there were 2 members in 2019, 2 in 2020, 2 in 2021 and 11 in 2022, and 4 (through November 2023). Management expects the 2024 utilization to be more than 4 members, as the prior years did not include transplant risk and the year is not complete. Accordingly, management does not recommend increasing the deductible to \$400,000.

The 2024 budget includes the estimated reinsurance premium payments at a rate of \$.28 pmpm. Estimated fiscal dollar impact is \$1,358,616.

#### **Risk Assessment**

Based on the continued expense of the SPD population and the additional utilization from COVID-19 complications and the risk for major organ transplants, management believes that binding reinsurance coverage is warranted for 2024 and is recommending the IOA Re option at a rate of a \$.28 pmpm and keeping the deductible at \$350,000.

#### **Requested Action**

Approve; Authorize Chief Executive Officer to Sign.





---

**MEMORANDUM**

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Emily Duran, Chief Executive Officer  
**SUBJECT:** MCAS Sanctions  
**DATE:** December 14, 2023

---

**Background**

The Department of Health Care Services (DHCS) requires Medi-Cal Managed Care Plans (MCPs) to report annually on a set of quality measures, known as the Managed Care Accountability Set (MCAS), comprised of various health related outcomes to include measures that represent children’s preventive services, reproductive health preventive services, chronic medical conditions, and behavioral health conditions. DHCS retains the right to enforce quality improvement requirements for MCPs in accordance with Welfare and Institutions Code 14197.7. These requirements align with department’s and KHS ’overarching strategy to drive higher quality of care for Medi-Cal members.

In 2022, DHCS issued a monetary sanction to KHS in the amount of \$169,000 for not meeting the minimum performance level in 10 of the 15 MCAS measures for the 2021 measurement year.

On December 4, 2023, DHCS issued a monetary sanction to KHS in the amount of \$69,000 reflective of the 2022 measurement year. This was determined by an updated methodology with various factors, including whether KHS’ performance improved or worsened over the previous year. For 2022, KHS improved MCAS performance in 12 of the 15 measures by meeting Minimum Performance Level (MPL) for 5 measures and demonstrating improvement in 7 measures.

KHS’ mission includes providing access to quality care to our members. The MCAS Quality Improvement Program was recently reconfigured to establish teams dedicated to year-round quality performance improvements. Establishing high performance practice habits and member engagement to support KHS’ mission of increasing the health status of its members is always the driving force behind such efforts. The Quality Performance programs implemented over the previous year will be reflected in measurement year 2023 and beyond. KHS is committed to supporting and collaborating with our members and providers to ensure contractual and programmatic requirements are met, while quality care remains the highest priority.

**Requested Action**

Receive and file.



December 5, 2023

THIS LETTER SENT VIA EMAIL

Emily Duran, Chief Executive Officer  
Kern Health Systems  
2900 Buck Owens Blvd.  
Bakersfield, CA 93308

**NOTICE OF INTENT TO IMPOSE MONETARY SANCTIONS FOR FAILURE TO MEET  
MINIMUM PERFORMANCE LEVELS FOR MEDI-CAL MANAGED CARE  
ACCOUNTABILITY SET PERFORMANCE MEASURES**

Dear Emily Duran,

The Department of Health Care Services (DHCS) sends this notice of intent to impose monetary sanctions on Kern Health Systems for failure to meet required minimum performance levels (MPLs) for measurement year (MY) 2022 Medi-Cal Managed Care Accountability Set (MCAS) performance measures.

Under the contract with DHCS, Kern Health Systems is required to meet the DHCS established MPLs for each Health Effectiveness Data and Information Set (HEDIS) measure and all other required MCAS performance measures (Exhibit A, Attachment 4, Quality Improvement System, section 9 External Quality Review Requirements, A).

Successful administration of the Medi-Cal program requires a collaborative partnership between DHCS and Medi-Cal Managed Care Plans (MCPs). This collaboration includes the expectation that MCPs will meet their contractual and programmatic requirements on an ongoing basis. Kern Health Systems and DHCS regularly collaborated on strategies for improving the Plan's MCAS performance measures required to meet MPLs. On July 20, 2023, DHCS received validated MCAS measure rates from the External Quality Review Organization and confirmed that Kern Health Systems has 10 plan-wide measures below the MPL across 3 domains for MY 2022. See Table 2 for enforcement tier designation triggers.

Under Welfare and Institutions Code (W&I) section 14197.7 and the contract, DHCS has the authority to impose monetary sanctions for Kern Health Systems's failure to meet its MPLs for all applicable MCAS performance measures (Exhibit E, Attachment 2, Program Terms and Conditions, section 17 Sanctions, B; W&I § 14197.7(f)(1)). As noted above, the Kern Health Systems contract requires it to meet the DHCS established MPLs for each MCAS performance measure (Exhibit A, Attachment 4, Quality Improvement System, section 9 External Quality Review Requirements, A). Kern Health Systems confirming failure to meet the MPLs as outlined in the contract

---

**Quality & Population Health Management**  
1501 Capitol Avenue, MS 0020  
P.O. Box 997413  
Sacramento, CA 95899-7413  
Phone (916) 449-7400 | [www.dhcs.ca.gov](http://www.dhcs.ca.gov)

**State of California**  
Gavin Newsom, Governor 

California Health and Human Services Agency

DocuSign Envelope ID: FA851F97-A89A-4EAF-B5D0-3462675EC5AE

Emily Duran, CEO  
 Page 2  
 December 5, 2023

creates good cause for DHCS to impose monetary sanctions (Exhibit E, Attachment 2, Program Terms and Conditions, section 17 Sanctions, B; W&I § 14197.7(f)(1)).

DHCS is imposing monetary sanctions for Kern Health Systems’s failure to comply with its obligations set forth in the contract. Under W&I section 14197.7(f), DHCS is authorized to impose a \$25,000 sanction per violation of Kern Health Systems’s contractual obligation to meet MPLs for each MCAS performance measure.

**The total sanction amount for Kern Health Systems is \$69,000 for the following 10 measures below the MPL for MY 2022:**

| Reporting Unit | Measures* | Domains* | MCP Rates | MPL    | TRENDING Difference from HEDIS MY 2021 | Population Impacted |
|----------------|-----------|----------|-----------|--------|--|---------------------|
| Kern           | FUA–30Day | BH       | 15.74%    | 21.24% | 10.96                                  | 1071                |
|                | FUM–30Day | BH       | 18.80%    | 54.51% | -0.42                                  | 570                 |
|                | CIS–10    | CH       | 27.98%    | 34.79% | 0.49                                   | 4240                |
|                | IMA–2     | CH       | 29.68%    | 35.04% | -1.22                                  | 4718                |
|                | LSC       | CH       | 47.45%    | 63.99% | 0                                      | 3104                |
|                | W30–2     | CH       | 55.12%    | 65.83% | 4.11                                   | 2680                |
|                | W30–6     | CH       | 37.12%    | 55.72% | 9.07                                   | 1955                |
|                | WCV       | CH       | 40.64%    | 48.93% | 2.68                                   | 75785               |
|                | CCS       | RC       | 52.80%    | 57.64% | 4.14                                   | 30761               |
|                | CHL–Tot   | RC       | 53.67%    | 55.32% | -0.04                                  | 5141                |

\*Please see Table 1 for acronym definitions

Pursuant to W&I section 14197.7 and in accordance with the December 4, 2023, Quality Sanction Bulletin, DHCS has considered the factors set forth in W&I section 14197.7(f) and (g) in determining the sanction amount, including the following:

- Scope of the violations, which are determined by the number of eligible members impacted by the quality-of-care violation (i.e., the number of eligible members who did not receive the recommended preventive service.) If an MCP’s failure to meet an MPL impacts more than 25,000 eligible members, then each impacted beneficiary will constitute a separate violation and the MCP may be sanctioned more than \$25,000 total, as provided by W&I sections 14197.7(f)(1) and (g)(1).
- In determining the nature, scope, and gravity of the violation under W&I section 14197.7(g)(1), DHCS will consider the degree to which the MCP is below the MPL for the measure at issue and will increase sanction amounts per violation based upon the severity of the violation. (Please see Table 3 for violation factors).
- DHCS will consider whether the MCP’s performance on the MPL at issue has improved or worsened over the previous MY under W&I section

DocuSign Envelope ID: FA851F97-A89A-4EAF-B5D0-3462675EC5AE

Emily Duran, CEO  
Page 3  
December 5, 2023

14197.7(g)(6). If performance has gotten worse over the previous MY, the sanction amount will increase; if performance has improved, the sanction amount will decrease. (Please see Table 4 for trending factors).

- DHCS has reduced the total sanction amount for MCPs in counties with Healthy Places Index (HPI) scores under the 50<sup>th</sup> percentile, as determined by DHCS (Please see Table 5 for HPI percentile and impact factors). **This amount has already been accounted for in the sanction total above.**

| MCP by County       | HPI Percentile | HPI Impact Factor |
|---------------------|----------------|-------------------|
| Kern Health Systems | 0.0%           | 50.0%             |

Kern Health Systems may request to meet with DHCS to discuss additional information they wish to share that may impact the final sanction amount within **two (2) business days** of receiving this notice. In the event Kern Health Systems would like to request a meet and confer conference, please send the request via email to [QualityMonitoring@dhcs.ca.gov](mailto:QualityMonitoring@dhcs.ca.gov) with the subject **Quality Sanction: Request to Meet and Confer**.

*If you do not request a meet and confer conference within two (2) business days, a Final Notice of Sanction and Notice of Appeal Rights will be issued by DHCS in the amount set forth above.*

Sincerely,

DocuSigned by:  
  
 CF9B74026BA741A...

Sarah Lahidji  
Division Chief, Quality and Health Equity  
Quality and Population Health Management  
Department of Health Care Services

DocuSign Envelope ID: FA851F97-A89A-4EAF-B5D0-3462675EC5AE

Emily Duran, CEO  
Page 4  
December 5, 2023

CC

Michelle Baass  
Director  
Department of Health Care Services

Lindy Harrington  
Interim Chief Deputy Director, Health Care Programs  
Department of Health Care Services

Judith Recchio  
Deputy Director and Chief Counsel  
Department of Health Care Services

Susan Philip  
Deputy Director, Health Care Delivery Systems  
Department of Health Care Services

Bambi Cisneros  
Assistant Deputy Director, Managed Care  
Health Care Delivery Systems  
Department of Health Care Services

Michelle Retke  
Contracting Officer, Chief of Managed Care Operating Division  
Health Care Delivery Systems  
Department of Health Care Services

Dana Durham  
Chief of Managed Care Quality and Monitoring Division  
Health Care Delivery Systems  
Department of Health Care Services

Martha Tasinga, Chief Medical Officer  
Kern Health Systems  
2900 Buck Owens Blvd.  
Bakersfield, CA 93308

Jane MacAdam, Director of Compliance  
Kern Health Systems  
2900 Buck Owens Blvd.  
Bakersfield, CA 93308

DocuSign Envelope ID: FA851F97-A89A-4EAF-B5D0-3462675EC5AE

Emily Duran, CEO

Page 5

December 5, 2023

Enclosure

| <b>TABLE 1: DOMAIN, MEASURE, &amp; ACRONYM</b>        |  |                |
|---|--|----------------|
| <b>Domain</b>   | <b>Measure</b>   | <b>Acronym</b> |
| <b>Children's Health (CH)</b>                         | Child and Adolescent Well-Care Visits  | WCV            |
|   | Childhood Immunization Status: Combination 10  | CIS-10         |
|   | Immunizations for Adolescents: Combination 2   | IMA-2          |
|   | Lead Screening in Children   | LSC            |
|   | Well-Child Visits in the First 30 Months of Life – Well-Child Visits in the First 15 Months – Six or More Visits         | W30-6          |
|   | Well-Child Visits in the First 30 Months of Life – Well-Child Visits for Age 15 Months to 30 Months – Two or More Visits | W30-2          |
| <b>Reproductive Health and Cancer Prevention (RC)</b> | Breast Cancer Screening  | BCS            |
|   | Cervical Cancer Screening  | CCS            |
|   | Chlamydia Screening in Women   | CHL            |
|   | Prenatal and Postpartum Care: Postpartum Care  | PPC-Post       |
|   | Prenatal and Postpartum Care: Timeliness of Prenatal Care  | PPC-Pre        |
| <b>Chronic Disease Management (CD)</b>                | Comprehensive Diabetes Care: HbA1c Poor Control (>9.0%)*   | HBD-H9*        |
|   | Controlling High Blood Pressure  | CBP            |
| <b>Behavioral Health (BH)</b>                         | Follow-up After Emergency Department Visit for Mental Illness – 30-day Follow-Up   | FUM-30Day      |
|   | Follow-up After Emergency Department Visit for Substance Use – 30-day Follow-Up  | FUA-30Day      |

\*A lower rate is better for this measure

**Quality & Population Health Management**

1501 Capitol Avenue, MS 0020  
 P.O. Box 997413  
 Sacramento, CA 95899-7413  
 Phone (916) 449-7400 | www.dhcs.ca.gov

**State of California**

Gavin Newsom, Governor



California Health and Human Services Agency

DocuSign Envelope ID: FA851F97-A89A-4EAF-B5D0-3462675EC5AE

Emily Duran, CEO  
 Page 6  
 December 5, 2023

| <b>TABLE 2: QUALITY ENFORCEMENT TIER DESIGNATION TRIGGERS</b> |   |  |   |
|---|---|--|---|
| <b>Enforcement Tiers</b>                                      | <b>Tier 1</b>                                       | <b>Tier 2</b>  | <b>Tier 3</b>   |
| <b>Triggers</b>   | One (1) measure below the MPL in any one (1) domain | Two (2) or more measures below the MPL in any one (1) domain | Three (3) or more measures below the MPL in two (2) or more domains |
| <b>Enforcement Action</b>                                     | Not subject to monetary sanction                    | Subject to monetary sanction                                 | Subject to monetary sanction  |

| <b>TABLE 3: VIOLATION AND BENEFICIARY IMPACT (W&amp;I section 14197.7(g)(1))</b> |                              |                                  |
|--|------------------------------|----------------------------------|
| <b>Severity/Beneficiary Impact</b>   | <b>Violation per Measure</b> | <b>Severity Violation Factor</b> |
| Minimal Violation  | <1% below MPL                | 1.0                              |
| Minor violation  | 1% - 5% below MPL            | 1.2                              |
| Moderate Violation   | 6% - 10% below MPL           | 1.4                              |
| Moderately severe violation  | 11% - 15% below MPL          | 1.6                              |
| Severe Violation   | 16% - 20% below MPL          | 1.8                              |
| Extremely severe violation   | ≥21% below the MPL           | 2.0                              |

| <b>TABLE 4: TRENDING FACTOR (W&amp;I section 14197.7(g)(6))</b> |  |                        |
|---|--|------------------------|
| <b>Degrees of Improvement</b>                                   | <b>Trending Difference per Measure</b> | <b>Trending Factor</b> |
| Significant Worsening   | >(-)15%                                | 2.0                    |
| Moderately Significant Worsening                                | (-)11% - (-)15%                        | 1.8                    |
| Moderate Worsening  | (-)7% - (-)10%                         | 1.6                    |
| Minimal Worsening   | (-)4% - (-)6%                          | 1.4                    |
| Slight worsening  | (-)1% - (-)3%                          | 1.2                    |
| No Improvement  | 0 – 1%                                 | 1.0                    |
| Slight Improvement  | 1% - 3%                                | 0.8                    |
| Minimal Improvement   | 4% - 6%                                | 0.6                    |
| Moderate Improvement  | 7% - 10%                               | 0.4                    |
| Moderately Significant Improvement                              | 11% - 15%                              | 0.2                    |
| Significant Improvement   | >15%                                   | 0.0                    |

DocuSign Envelope ID: FA851F97-A89A-4EAF-B5D0-3462675EC5AE

Emily Duran, CEO

Page 7

December 5, 2023

| <b>TABLE 5: HPI IMPACT AND SANCTION REDUCTION</b>        |                       |   |
|--|-----------------------|---|
| <b>Severity (Impact) of HPI<br/>(per county and MCP)</b> | <b>HPI Percentile</b> | <b>HPI Impact Factor<br/>(Sanction Reduction)</b> |
| Very High  | 0-9%ile               | 50%   |
| High   | 10-19%ile             | 40%   |
| Moderate   | 20-29%ile             | 30%   |
| Low Moderate   | 30-39%ile             | 20%   |
| Low  | 40-49%ile             | 10%   |

---

**Quality & Population Health Management**

1501 Capitol Avenue, MS 0020

P.O. Box 997413

Sacramento, CA 95899-7413

Phone (916) 449-7400 | [www.dhcs.ca.gov](http://www.dhcs.ca.gov)

**State of California**

Gavin Newsom, Governor



California Health and Human Services Agency





---

## MEMORANDUM

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Robert Landis, Chief Financial Officer  
**SUBJECT:** 2024 Budget  
**DATE:** December 14, 2023

---

### **Background**

The 2024 Budget supports the KHS 2023-2025 Strategic Plan Initiatives (“Initiatives”) and prioritizes the continued support afforded to the Safety Net and Community Providers. The scope of the Initiatives reflect the expanded role Medi-Cal Managed Care health plans will be responsible for under the CalAIM initiative continuing during 2024.

Specifically, CalAIM has three primary goals:

- Identify and manage member risk and need through whole person care approaches and addressing Social Determinants of Health
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
- Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform.

Major CalAIM initiatives that will continue during 2024 include:

- Enhanced Care Management (ECM) is a comprehensive approach to address the clinical and non-clinical needs of high-need, high-cost members through coordination of services and comprehensive care management. Over the years, more Medi-Cal members will qualify for Enhanced Care Management through expansion among existing qualified enrollees or adding of new member eligibility categories.
- Community Support Services (CSS) also formerly referred to as In Lieu of Services or ILOS, are services provided as a substitute for, or used to avoid, other more costly covered services, such as a hospital or skilled nursing facility admission or a discharge delay. Such service may or may not be medically related but by their proper use should reduce medical cost. These services are unfunded with expected savings to be realized by lower medical expenses, if any.

At its conclusion, CalAIM will transform Medi-Cal Managed Care health plans to provide a more equitable and broader range of benefits through an integrated delivery system comprised of

To: KHS Board of Directors  
Re: 2024 Budget  
Page 2

traditional medical services, behavior health services (including specialty mental health) substance use disorder services (detox and therapeutic) and dental care.

Since 2012, we have witnessed an increase in membership from expansion in eligibility, adoption of the affordable care act and inclusion of a variety of new coverage categories and programs like Seniors and Persons with Disabilities (SPDs), Community Based Adult Services (CBAS), childless adults, children with autism and undocumented children and young adults.

Newly eligible populations present unique challenges. KHS expanded its network of providers, both in scope and depth, so that the appropriate level and type of services would be available to treat new members often with medically complex conditions. Much of what has been developed and implemented over the past 10 years relates to the creation and administration of these new programs and the additional benefits and expanded services that accompany them. Enrollment in KHS has increased over 300% during that time to where today, KHS serves approximately 360,000 of Kern County's residents. **KHS has recently received a file from DHCS indicating that over 60,000 members will be transitioning from HealthNet to KHS effective January 1, 2024.**

#### **Recently Enacted California Legislation Impacting the KHS 2024 Budget**

The increase in the minimum wage for health care workers to \$25 an hour over the next several years along with a \$20 an hour minimum wage for fast food workers will cause KHS to increase some of the salaries for certain job positions. Additionally, our providers might seek rate increases to offset these additional staffing costs. We do not believe our 2024 rates received from DHCS have taken the impact of these salary increases into effect.

Additionally, certain Medi-Cal provider rates will be increased to at least **87.5% of Medicare** for primary care and certain specialty care providers, maternity care and non-specialty mental health services. Much of the funding for these rate increases will come from the reinstatement of the MCO Tax, which unlike previous MCO taxes will be invested in the Medi-Cal system. The calculations/methodologies used to determine the 87.5% of Medicare Rate are quite complex.

#### **Implementation by DHCS of a New Quality Score Withhold Methodology and a New Community Reinvestment Requirement.**

In addition to an increase in fines and sanctions relating to quality measures being levied by DHCS and DMHC, DHSC will be withholding .5% of Managed Care Plans (MCPs) monthly revenue (approximately \$500,000 a month for KHS) that is to be earned back by MCPs upon meeting certain quality measures.

MCPs with positive net income will now also be required to allocate 5% to 7.5% of its profits (depending on the level of their profit) to local community activities that develop community infrastructure to support Medi-Cal members. If MCPs do not meet certain quality outcome metrics as defined by DHCS, MCPs shall set aside an additional 7.5% of net income for community reinvestment.

To: KHS Board of Directors  
Re: 2024 Budget  
Page 3

MCPs will be required to annually submit a Community Reinvestment Plan and Report that details how the community will benefit from the reinvestment activities and the outcomes of such investments.

**New 2024 Key Initiatives for KHS**

Besides these State mandated changes impacting the 2024 budget, several internal initiatives are scheduled for next year including:

- D-SNP requires significant preparations for all Managed MCAL plans to align enrollment of Medicare eligible members to promote more integrated care and ensure continuity of care protections. The **start-up costs are unfunded** and expected to approximate \$10 million for 2024. D-SNP efforts include:
  - Prepare for submission of Knox Keene license application for Material Modification to operate a Medicare Advantage/D-SNP line of business in 2026.
  - D-SNP Consultant and Readiness Review will continue in 2024 in preparation of going live with a D-SNP line of business on January 1, 2026
  - Medicare Model of Care to ensure quality and holistic care for Medicare population.
  - Medicare Part D Pharmacy System
  - Medicare Enrollment, Billing, and Eligibility System
  - Clinical Care Management and Oversight
- Ensure Continuity of Care for all transitioning members from exiting health plans due to Managed Medi-Cal health plan changes throughout California. Beginning January 1, 2024 Medi-Cal in Kern County will be administered by Anthem Blue Cross and Kaiser, in addition to KHS. This means members will be transitioning away from Health Net, into other options. Also, members who receive care from Kaiser through a subcontract with KHS will transition directly to Kaiser.
- Notice of Intent to Apply submission due to CMS which will ensure access to the Health Plan Management System (HPMS)
- NCQA accreditation preparation standardizing quality assurance and clinical practice protocols across all Managed MCAL plans to comply with state and federal requirements for both health and health equity accreditation.
- Implementation of two provider grant programs totaling \$8 million comprising a Provider Recruitment & Retention Program for \$3 million and a Quality Grant Program focusing on developing innovative partnerships with network providers to elevate the quality of care delivered to KHS members for \$5 million.
- Implementation of two Strategic Initiatives totaling \$12 million comprising a Healthcare Workforce Expansion Program partnering with contracted healthcare providers and the local education institutions to expand the nursing and physician medical professionals for \$10 million and a Community Based Organization Program that will create innovative social service delivery models that will focus on reducing barriers to care and focus on wellness and healthy living for \$2 million.

To: KHS Board of Directors

Re: 2024 Budget

Page 4

- Expansion of the Transition of Care Services Program currently serving only highest risk members will now be required for all members that experience a transition under the new DHCS mandate.
- Development of an orthopedic education program for members undergoing elective joint replacement aimed at decreasing the need for postoperative acute care hospitalization.
- Expand the Enhanced Care Management network to include new sites and operational models to serve the new Populations of Focus (POF) in 2024. The new POF will be the Health Equity Pregnant and Post-Partum (up to 12 months) group and the Justice-Involved Initiative throughout the state of California. While KHS already provides ECM services to Individuals transitioning from Incarceration, this initiative requires the expansion and development of relationships between the MCP, county correctional facilities, and any in-reach providers for potential ECM contracting as in-reach service recipients exit incarceration. KHS's intent is to continue to enhance and expand the ECM program with at least 4 to 6 new ECM partnerships in 2024.
- Expand partnerships with new community-based organizations and integrate into the current Community Services Referral System that will allow CSS services to be referred, authorized, and monitored. In 2024, CSS will implement the last of the 14 pre-approved services which will include, Day Habilitation Programs and Environmental Accessibility Adaptions. CSS also intends to implement two non-pre-approved services which are Withdraw Management and Early Recovery (Detox Centers) and Community Integration Programs (Tattoo Removal). KHS will continue to enhance and expand the CS network with at least 4 to 6 new CS providers in 2024.
- Operationalize new 2024 Contract with DHCS designed to transform KHS's Managed Care Model through multiple channels including CalAIM alignments for children and behavioral health services expansion, increased operational transparency for accountability compliance and administrative reporting and efficiency, quality improvement and health equity activities, community investment plans, and multiple Memoranda of Understandings with third parties for coordinated and integrated care. Requires KHS to update a significant number of policies and procedures that more align with CMS standards.
- Health Services staffing restructure to support Population Health Management program.
- Increase collaboration for coordinating KHS member's behavioral health needs through Medication Assisted Treatment (MAT) and substance use disorders and detoxification centers. KHS's intent is to continue to enhance and expand our BH provider network with 3- 5 new providers that will work closely with the KHS BH team to accept BH referrals and conduct data exchange, so KHS can track the BH services progress in 2024.
- Broad focus on healthcare equity, inclusion, and diversity across the health plan and network, i.e., reporting, population identification, provider training and program implementation to address specific population needs based on race, ethnicity, and other social determinants of health that improve the clinical outcomes for our members.
- Over forty (40) corporate projects for improving processes, initiating new programs or enhancing services such as:

To: KHS Board of Directors  
Re: 2024 Budget  
Page 5

- Establish policy and procedures that will instill Artificial Intelligence tools and techniques for operational process improvement and data mining efficiencies.
- Additional Incentive Payment Program (IPP) funding for Enhance Care Management Expansion and Incentive Payment Programs for January 1, 2024 to June 30, 2024
- New Community Support Services (CCS) Program benefits being added on January 1, 2024, include Day Habilitation Programs, Environmental Accessibility Adaptions, Withdraw Management and Early Recovery (Detox Centers) and Community Integration Programs (Tattoo Removal)
- JIVA Medical Management System Upgrade to integrate new and improve existing functionality as our clinical platform for population management. New modules and other integrative functions will improve KHS ability to approach care coordination through a holistic lens in support of CalAIM, Population Health and preparation for the D-SNP population.
- Milliman Clinical Guidelines (MCG) Update performed annually to align with current evidence-based standards of care and new technologies and treatments, required for clinical authorizations and provider oversight.
- QNXT/NetworX/Optum Core Claims System Upgrade
- Population Health Management Program Development will include the Model of Care and Program readiness for identification of member risk, stratification of severity, and segmentation of program eligibility through a health equitable lens.
- Expansion of Health Information Exchange (HIE) which allows health care professionals and patients to appropriately access and securely share a patient's medical information electronically.
- Design and implementation of Emergency Preparedness, Business Continuity, and Disaster Recovery Plans to ensure KHS readiness for any natural, man-made, or other untoward event that could interrupt operations.
- Annual cyber security InfoSec audit with continued work to achieve HighTrust CSF certification.
- Continued Business Intelligence (BI) system updates and improvements to promote data quality and increase data exchanges with trading partners (i.e., Kern Medical; Clinica Sierra Vista, Omni, and Costal Kids, etc.)
- Various technology updates and systems upgrades to ensure software maintenance and support contracts remain valid.
- JIVA Grievance Module Implementation will remove bifurcated documentation in different systems to manage member grievance processes between UM, QI, and Member services departments.
- NCQA Consultant and Readiness Review will continue in 2024 to bring in field expertise to assist KHS with document preparation, mock audit, and final submissions in its pursuit of NCQA accreditation on or before 2026.
- D-SNP Consultant and Readiness Review will continue in 2024 in preparation of going live with a D-SNP line of business on January 1, 2026

To: KHS Board of Directors  
Re: 2024 Budget  
Page 6

- Consultants will continue in 2024 to bring field expertise to assist KHS with implementing the New Era and embedding diversity, equity, inclusion and belonging into the organizational culture.
- Continued development of Provider Performance Based reimbursement arrangements
- Expansion of Member incentive program across new or existing programs for enterprise-wide eligibility including a solution for real-time delivery of incentives and robust tracking mechanisms
- Identify and mitigate social determinants of health and reduce health disparities or inequities.
- Expansion of department dashboards for operational metric transparency
- Design and implementation of Emergency Preparedness, Business Continuity, and Disaster Recovery Plans to ensure KHS readiness for any natural, man-made, or other untoward event that could interrupt operations.
- Define/refine Medical Loss Ratio dashboard for monitoring and Executive transparency for budgeting considerations.
- Comply with State mandated coordination of benefits to help mitigate unwarranted cost and recovery including retro eligibility activity based on state information.

#### **Support for Existing Programs and Initiatives in 2024**

In 2023 there were several new or modified Department of Health Care Services (DHCS) and Department of Managed Health Care (DMHC) requirements that impact the 2024 Budget including:

- Continued support of KHS members in the annual redetermination process including continued collaboration with Kern County Department of Human Services staff, member mailings, robo calls, text messaging and personal calls to assist members in completing their annual redetermination paperwork on time.
- **Long Term Care (LTC)** responsibilities will include transitioning and retaining members who are placed in Long Term Care (custodial) facilities, versus previous requirement of managed care plan disenrollment to Fee for Service Medi-Cal. The Plan will now be clinically and fiscally responsible for care coordination, LTC management, and alternate setting placements when appropriate.
- **Incentive Programs** created to promote health plan and provider participation in ECM and CSS will be continue. The Governor's budget allocated \$300 million for plan incentives from January to June 2022, \$600 million from July 2022 to June 2023, and \$600 million from July 2023 to June 2024. The CalAIM Incentive Payment Program supports the implementation and expansion of ECM and Community Supports by incentivizing managed care plans (MCPs) to drive MCP delivery system investment into provider capacity and delivery system infrastructure; bridge current silos across physical and behavioral health care service delivery; reduce health disparities and promote health equity; achieve improvements in quality performance; and encourage take-up of Community Supports. KHS was allocated \$14.2M in performance-based incentive funding for Program Year 2022 and \$14.7 million for Program Year 2023.

To: KHS Board of Directors  
 Re: 2024 Budget  
 Page 7

- **Homeless Management Information System, (HMIS)**, KHS was awarded to be the lead agency to manage the data software to track and monitor the homeless data for Kern County. Effective October 1, 2023, KHS will have a team that will manage the system and will assign licenses to all the Community Based Organizations, CBOs, who serve the Homeless individuals in Kern County.
- **School-Based Behavioral Health (SBHIP)** is an additional Incentive Program that was initiated in 2022 to increase access to preventive, early intervention, and behavioral health services by school-affiliated behavioral health providers for TK-12 children in schools through coordination and partnership with the Local Education Agency (LEA), KHS, Kern County Behavioral Health and Recovery Services (KHBRs), and other community-based organizations and health plans in Kern County. The Governor's budget allocated \$398 million for Medi-Cal plan incentives with Kern County receiving \$13.2 million from January 2022 to December 2024. This initiative will be the foundation for a broader focus on developing and maintaining a school-linked fee schedule for outpatient Mental health and Substance use disorder services for ages 25 and younger by January 2024 under the Children and Youth Behavioral Health Initiative
- **Telehealth Services** has shown to be an effective method for maintaining the physician / patient relationship during the pandemic. DHCS modified its benefits to include telehealth as an alternative to office visits during the COVID Public Health Emergency. During 2023 DHCS made permanent many of the telehealth flexibilities allowed during the Public Health Emergency. This will enable continued expansion of synchronous, asynchronous, audio-visual, and telephonic provision of care to meet network adequacy, foster member satisfaction, and strengthen health equity for rural populations.
- **Population Health Management** preparation will continue through 2024 to develop and maintain a whole system, person centered population health management strategy for addressing member needs across the continuum of care based on data driven risk stratification, predictive analytics, and standardized assessment processes for 2024 readiness.
- **Expanded Regulatory Oversight** for quality-of-care measures and timely access to care standards in service of greater health equity. DHCS and DMHC are releasing an increasing volume of guidance/directives/reporting requirements – with increased complexity - both through and outside of All Plan Letters (APLs). Along the same lines, increased scrutiny/oversight from regulators (through Audits, other DHCS/DMHC oversight activities), which requires Corrective Action Planning, follow up, and internal audits.
- **New or Expanded Data and Analytic Reporting Requirements**, including integration of various data sources not historically captured for member risk stratification and segmentation. Most of these data collection requirements are driven by NCQA Health Equity Accreditation factors and KHS value-based goals. DHCS is also requiring integration and participation in a universal Medi-Cal platform to capture social determinants of health with further alignment for a count specific Health Information Exchange
- **Increase in the Application of Supplemental Payments** pertaining to Hospital Directed Payments, Proposition 56 payments, GEMT, HYDE as well as other supplemental payment arrangements for physician and hospitals.

To: KHS Board of Directors

Re: 2024 Budget

Page 8

- **Expansion of Undocumented Adults** effective 1/1/2024 to full-scope Medi-Cal eligibility for individuals who are 26 through 49 years of age, and who do not have satisfactory immigration status or are unable to establish satisfactory immigration status.
- Continue work with Kern Medical through the joint operations committee to explore collaboration opportunities and address operation issues and development of new chronic condition programs for Population Health
- Continue to work with Dignity hospitals (Memorial, Mercy & Mercy Southwest) to ensure mutual success assuming risk via DRG agreement.
- Strengthen collaboration with Kern Behavioral Health and Recovery Services (KHBRS) and the GATE team for substance use disorders and resource/referral coordination.
- Expand the Transitional Care Program with local hospitals and the KHS provider network as DHCS is requiring a transitions of care services program for all members who experience any transition.
- Palliative Care program expansion
- Continue with managing the Major Organ Transplant benefit that took place on January 1, 2022, with the inclusion of Heart, Lung, Liver and Pancreas transplants.
- Refine the transportation and meal reimbursement program to ensure appropriate allocation of funds for members traveling for Major Organ Transplant clinical support.
- Expand Telehealth Specialty Care services to all eligible service sectors.
- Continue SNFist program to provide transparency for member placement in appropriate levels of care.
- Implement efficiencies across the health services departments through automation and robot technology to streamline process and reduce manual intervention.
- Development of a Chronic Kidney disease management program.
- Expand ER Navigation Program aimed at reducing avoidable inpatient admissions to additional local acute hospitals.
- Develop and implement a provider education program of evidence-based management of patients with diabetes and hypertension.
- Ongoing support for the school-based Wellness Programs
- Implement School-based Vision Programs
- Continued collaboration with Kern County with the Tobacco Free Coalition of Kern County, Kern County Asthma Coalition, Black Infant Maternal Health Initiative, and the Kern County Breastfeeding Coalition.
- Execute new MOUs with Local Government Agencies (LGA), including KBHRS, KCDPHS, KCDA, KCDHS, KRC and WIC (CAPK & CSV). Prepare for execution of 2025 MOUs with additional LGAs such as Jails, Probation and Juvenile Facilities and Local Education Agencies, First 5 Programs, Indian Health Services/Tribal Entities, Jails, HCBS Agencies and Caregiver Resource Centers.
- Expand the Population Health Management Programs, including homelessness outreach, ER overutilization, and care coordination efforts to support CalAIM and low utilization members.



To: KHS Board of Directors  
Re: 2024 Budget  
Page 9

- Enhancing Managed Care Accountability Set (MCAS) Tracking and Reporting, including expanded electronic data collection and stratification by various diversity segment (race, ethnicity, etc.)
- Expansion of mobile services for preventative care and gaps in care closures
- Continue year-round direct member outreach program to improved minimal performance levels (MPL) requirements for MCAS measures.
- Expand and revise Pay for Performance incentives to reward providers who demonstrate improved MCAS outcomes and include other non-MCAS preventative care measures.
- Expand pregnancy related programs to improve pre and postnatal compliance to promote healthy babies with increased focus on maternal mental health and depression.
- Expand provider support and education for collection of data for social determinants of health (SDoH) and provision of Basic Population Health Management through preventative screenings and assessments, e.g., PHQ-2; PHQ-9 (psychiatric health questionnaire), ACE (Adverse Childhood Events), EPSDT (Early Prevention Screening and Diagnostic Testing), IHA (Initial Health Assessment), HRA (Health Risk Assessment), etc.
- Transition the in-house Medication Therapy Management Program for eligible members not deemed eligible in an Enhanced Care Management provider setting to a Comprehensive Pharmacy Program to allow broader reconciliation of member's medication and care coordination with providers and facilities.
- Use the Care Gradient Analysis Predictive Modeling tool to identify populations for diagnoses specific engagement schemes to differentiate care requirements for enhanced, complex, basic, and unmet healthcare needs of our members.
- Continue to monitor and measure member and provider satisfaction independently via satisfaction surveys.
- Expand design and implementation of department specific outcome metrics.
- Strengthen audits across all departments to proactively identify process or performance gaps to allow for corrective actions to foster compliance with DHCS and DMHC requirements.
- Standardize risk assessment process across the organization to identify potential risks related to provider contracts, vendor relations, and data exchanges.
- Continue monitoring of Fraud, Waste, and Abuse and delegated oversight of contracted providers and community partners.
- Strengthen departmental policy and procedures review process to ensure the documents reflect current or new processes accurately.
- Expand Population Health Management program offerings to include other chronic cardio-pulmonary diagnoses such as Congestive Heart Failure (CHF) and Hypertension (HTN)
- Continued recruitment and retention of talent to meet the ongoing changes and initiatives with CalAIM.
- Develop and provide training and support for KHS staff into each new phase of CalAIM.

**Budget - Resources for Programs Designed to Enhance Member or Provider Experience**

To: KHS Board of Directors  
Re: 2024 Budget  
Page 10

Finally, the 2024 budget will provide resources to support a variety of programs administered either directly or through collaboration with outside organizations. Examples include:

- Implement Claims Department Call Center to directly service all Provider inquiries.
- Autism Spectrum Disorder Behavioral Therapy, including non-Autism diagnoses.
- California Children's Services Coordination of Care
- Kern Regional Center Coordination of Care
- Kern County Public Health Department for new or existing public health issues such as Black Infant Health, preventative care and immunizations, and communicable and sexually transmitted disease
- Vision Services Plan for optometric diabetic screenings
- Program awareness of Mental Health benefit, including coordination with Kern County Public Health for Emergent Mental health services, including 9-8-8 hotline and Mental Evaluation Team (MET) and Medication Assisted Therapy (MAT)
- Hospitalist program expansion
- Low Income Housing through the Kern County Housing Authority and other partners
- Respite Services for our members and their care givers.
- Community-Based Organizations that support Medically Supportive Food/Meals/Medically Tailored Meals for members.
- Nursing Facility Transition/Diversion, Community Transition Services/Nursing Facility Transition to a Home and Personal Care & Homemaker Services for our older adult populations of focus

To: KHS Board of Directors  
Re: 2024 Budget  
Page 11

**2024 Budget Documents**

Attached are the following documents relating to the 2024 Budget:

- 1) Consolidated Operating Budget
- 2) Operating Budget by Aid Category
- 3) Enrollment Assumptions
- 4) Revenue Assumptions
- 5) Medical Expense Assumptions
- 6) Administrative Expense Assumptions
- 7) Budgeted FTE by Department
- 8) Capital Budget for 2024
- 9) Preliminary 2023 Year-end and Projected 2024 TNE and Minimum Liquidity Calculations

**Requested Action**

Approve.

**KERN HEALTH SYSTEMS  
P & L BY MAJOR CATEGORY OF SERVICE  
2024 BUDGET**

|  | EST. ANNUAL          |                      |                    | PMPM          | PMPM          | PMPM          | PMPM %      |
|--|----------------------|----------------------|--------------------|---------------|---------------|---------------|-------------|
|  | 2024 BUDGET          | 2023                 | DIFFERENCE         | 2024 BUDGET   | 2023 ANNUAL   | DIFFERENCE    | DIFFERENCE  |
|  | \$                   | \$                   | \$                 | 4,852,200 (3) | 4,220,461     | 631,739       | 15%         |
| <b>REVENUE</b>   |                      |                      |                    |               |               |               |             |
| Capitation (excludes Prop 56 & GEMT)                   | 1,243,315,956        | 1,065,453,586        | 177,862,370        | 256.24        | 252.45        | 3.79          | 2%          |
| Medicare Rate Increase                                 | 108,786,324 (10)     | *                    | 108,786,324        | 22.42         | *             | 22.42         | 100%        |
| Maternity Kick Supplemental Payment                    | 44,383,500           | 39,404,371           | 4,979,129          | 9.15          | 9.34          | (0.19)        | -2%         |
| Enhanced Care Management                               | 44,871,057 (6)       | 25,183,029           | 19,688,028         | 9.25          | 5.97          | 3.28          | 55%         |
| Major Organ Transplant                                 | 11,283,762           | 9,768,495            | 1,515,267          | 2.33          | 2.31          | 0.01          | 0%          |
| CalAIM Incentive Program                               | 14,263,616 (5)       | 23,719,078           | (9,455,462)        | 2.94          | 5.62          | (2.68)        | -48%        |
| Proposition 56 Supplemental Payments                   | 17,647,239 (10)      | 70,243,847           | (52,596,608)       | 3.64          | 16.64         | (13.01)       | -78%        |
| Ground Emergency Medical Transportation (GEMT) Payment | 7,278,970            | 6,031,776            | 1,247,194          | 1.50          | 1.43          | 0.07          | 5%          |
| Total MCAL Revenue                                     | 1,491,830,424        | 1,239,804,182        | 252,026,242        | 307.45        | 293.76        | 13.69         | 5%          |
| Add-Ons (Directed Provider Payments)                   | 266,382,897          | 261,226,601          | 5,156,296          | 54.90         | 61.90         | (7.00)        | -11%        |
| MCO Tax Revenue  | 543,349,356 (11)     | *                    | 543,349,356        | 111.98        | *             | 111.98        | 100%        |
| Interest   | 25,000,000 (12)      | 17,359,917           | 7,640,083          | 5.15          | 4.11          | 1.04          | 25%         |
| Reinsurance  | 1,358,616            | 1,282,393            | 76,223             | 0.28          | 0.30          | (0.02)        | -8%         |
| <b>TOTAL REVENUE</b>                                   | <b>2,327,921,293</b> | <b>1,519,673,093</b> | <b>808,248,200</b> | <b>479.77</b> | <b>360.07</b> | <b>119.69</b> | <b>33%</b>  |
| <b>MEDICAL</b>   |                      |                      |                    |               |               |               |             |
| Inpatient Hospital                                     | 338,580,290          | 269,498,565          | 69,081,725         | 69.78         | 63.86         | 5.92          | 9%          |
| Outpatient Facility                                    | 156,273,105          | 126,130,200          | 30,142,905         | 32.21         | 29.89         | 2.32          | 8%          |
| Emergency Room Facility                                | 78,632,250           | 64,327,421           | 14,304,829         | 16.21         | 15.24         | 0.96          | 6%          |
| Primary Physician Services                             | 67,985,617 (10)      | 49,911,596           | 18,074,021         | 14.01         | 11.83         | 2.19          | 18%         |
| Urgent Care  | 32,288,555           | 26,459,636           | 5,828,919          | 6.65          | 6.27          | 0.39          | 6%          |
| Physician Specialty                                    | 252,221,873 (10)     | 174,511,595          | 77,710,279         | 51.98         | 41.35         | 10.63         | 26%         |
| Behavioral Health Treatment and Mental Health          | 58,271,202 (10)      | 24,979,629           | 33,291,573         | 12.01         | 5.92          | 6.09          | 103%        |
| Other Medical Professional                             | 63,308,807 (10)      | 23,365,468           | 39,943,339         | 13.05         | 5.54          | 7.51          | 136%        |
| Enhanced Care Management                               | 42,928,489 (6)       | 23,675,530           | 19,252,959         | 8.85          | 5.61          | 3.24          | 58%         |
| Major Organ Transplant                                 | 10,719,574           | 8,480,206            | 2,239,368          | 2.21          | 2.01          | 0.20          | 10%         |
| DME  | 18,574,736           | 15,023,849           | 3,550,887          | 3.83          | 3.56          | 0.27          | 8%          |
| Home Health and CBAS                                   | 10,524,433           | 8,538,312            | 1,986,121          | 2.17          | 2.02          | 0.15          | 7%          |
| Other- Ambulance and Non-Emergent Transportation       | 33,438,319           | 26,907,265           | 6,531,054          | 6.89          | 6.38          | 0.52          | 8%          |
| Other - LTC (Short-Term), SNF, Hospice                 | 108,455,009          | 87,566,030           | 20,888,980         | 22.35         | 20.75         | 1.60          | 8%          |
| Pay for Performance Quality Incentive                  | 7,278,300            | 6,342,343            | 935,957            | 1.50          | 1.50          | (0.00)        | 0%          |
| CalAIM Incentive Program                               | 13,550,435 (5)       | 21,719,078           | (8,168,643)        | 2.79          | 5.15          | (2.35)        | -46%        |
| Provider Enhancement Expense - Prop 56                 | 16,764,877 (10)      | 66,375,850           | (49,610,973)       | 3.46          | 15.73         | (12.27)       | -78%        |
| Provider Enhancement Expense - GEMT                    | 6,915,022            | 7,554,980            | (639,958)          | 1.43          | 1.79          | (0.36)        | -20%        |
| Add-Ons Directed Provider Payments                     | 266,382,897          | 261,226,601          | 5,156,296          | 54.90         | 61.90         | (7.00)        | -11%        |
| Reinsurance Premium                                    | 1,358,616            | 1,168,313            | 190,303            | 0.28          | 0.28          | 0.00          | 1%          |
| Member Quality Incentives                              | 13,750,186 (7)       | 11,609,513           | 2,140,673          | 2.83          | 2.75          | 0.08          | 3%          |
| Medical Department Compensation - MLR Allocation       | 63,340,090 (8)       | 51,090,380           | 12,249,710         | 13.05         | 12.11         | 0.95          | 8%          |
| UM/QA Costs (including Utilization & Quality Review)   | 7,099,517 (9)        | 6,224,532            | 874,985            | 1.46          | 1.47          | (0.01)        | -1%         |
| <b>Total Medical Costs</b>                             | <b>1,668,642,200</b> | <b>1,362,686,891</b> | <b>305,955,309</b> | <b>343.89</b> | <b>322.88</b> | <b>21.02</b>  | <b>7%</b>   |
| <b>GROSS PROFIT/(LOSS)</b>                             | <b>659,279,093</b>   | <b>156,986,202</b>   | <b>502,292,891</b> | <b>135.87</b> | <b>37.20</b>  | <b>98.68</b>  | <b>265%</b> |

|   |                  |                   |              |        |       |         |      |
|---|------------------|-------------------|--------------|--------|-------|---------|------|
| ADMINISTRATIVE  | 89,965,427       | 80,953,153        | 9,012,274    | 18.54  | 19.18 | (0.64)  | -3%  |
| NET PROFIT/(LOSS) BEFORE MCO TAX  | 569,313,666      | 76,033,049        | 493,280,617  | 117.33 | 18.02 | 99.32   | 551% |
| MCO TAX EXPENSE   | 543,349,356 (11) | -                 | 543,349,356  | 111.98 | -     | 111.98  | 100% |
| NET PROFIT/(LOSS) AFTER MCO TAX   | 25,964,310       | 76,033,049        | (50,068,739) | 5.35   | 18.02 | (12.66) | -70% |
| D-SNP EXPENSES  | 10,000,000 (4)   | 4,860,368 (4)     |              |        |       |         |      |
| STRATEGIC AND PROVIDER GRANT EXPENSES                                       | 10,000,000       | -                 |              |        |       |         |      |
| NET PROFIT/(LOSS) AFTER GRANT EXPENSE                                       | 5,964,310        | 71,172,681 (1)(2) |              |        |       |         |      |
| MEDICAL LOSS RATIO (EXCLUDING MCO TAX, GRANTS, DIRECTED PAYMENTS AND D-SNP) | 92.36%           | 87.53%            |              |        |       |         |      |
| ADMIN RATIO (EXCLUDING MCO TAX, GRANTS, DIRECTED PAYMENTS AND D-SNP)        | 5.93%            | 6.43%             |              |        |       |         |      |

(1) 2023 has been adjusted to remove approximately \$22 million of net favorable adjustments related to prior periods including retro capitation adjustments and IBNR and paid claims adjustments recognized as of September.

(2) The 2023 annual amounts are estimated amounts using the YTD September Financials, the 2023 Budget, and other adjustments due to timing differences and availability of updated current information.

(3) Included in the CY 2024 budget are approximately 60,000 members expected to transition from Health Net to KHS on 1/1/2024

(4) These expenses are readiness preparation expenses related to D-SNP/MediCare implementation with a scheduled go-live date of January 1, 2026.

(5) The 2024 budget assumes significant decreases in CalAIM programs due to programs ending.

(6) The 2024 budget assumes a significant increase in program revenue due to ECM rate increases included in the preliminary rate information for provided for CY 2024.

(7) The 2024 budget assumes additional expenses for improving quality outcome measures for members and increased membership.

(8) The 2024 budget reflects budgeted salary increases for medical department FTEs needed to support additional membership growth and new programs, and a full year compensation for positions hired during the 2023 year.

(9) The 2024 budget reflects additional clinical technology fees, professional resources, and staff training and professional development expenses for medical departments.

(10) The 2024 budget reflects an increase from Medi-cal rates to 87.5% of medicare for Primary Physician Services, Physician Specialty, Maternity Care, and Non-Specialty Mental Health Service.

(11) The MCO tax is scheduled to be renewed and paid in the 2024 rates. MCO tax revenue and expenses are budgeted to be neutral. There were no revenue or expenses for 2023.

(12) Investment income is budgeted to increase based on current interest rates.

**KERN HEALTH SYSTEMS  
P & L BY MAJOR CATEGORY OF SERVICE  
2024 BUDGET**

|  | ALL COAs             |               | FAMILY & OTHER       |               | SPD                |                 | EXPANSION          |               | LTC                |                 |
|--|----------------------|---------------|----------------------|---------------|--------------------|-----------------|--------------------|---------------|--------------------|-----------------|
|  | \$                   |               | \$                   |               | \$                 |                 | \$                 |               | \$                 |                 |
|  | 4,852,200            |               | 3,243,689            |               | 342,123            |                 | 1,359,731          |               | 6,657              |                 |
| <b>REVENUE</b>   |                      |               |                      |               |                    |                 |                    |               |                    |                 |
| Capitation   | 1,243,315,956        | 256.24        | 485,138,260          | 149.56        | 232,522,173        | 960.35          | 473,063,771        | 347.91        | 52,591,752         | 7,900.41        |
| Medicare Rate Increase   | 108,786,324          | 22.42         | 72,723,505           | 22.42         | 5,428,393          | 22.42           | 30,485,180         | 22.42         | 149,246            | 22.42           |
| Maternity Kick   | 44,383,500           | 9.15          | 39,242,411           | 12.10         | -                  | -               | 5,141,089          | 3.78          | -                  | -               |
| Enhanced Care Management   | 44,871,057           | 9.25          | 16,627,370           | 5.13          | 8,842,288          | 36.52           | 19,277,620         | 14.18         | 123,779            | 18.59           |
| Major Organ Transplant   | 11,283,762           | 2.33          | 2,857,681            | 0.88          | 3,200,013          | 13.22           | 5,043,244          | 3.71          | 182,823            | 27.46           |
| CalAIM Incentive Program   | 14,263,616           | 2.94          | 5,897,577            | 1.82          | 2,542,284          | 10.50           | 5,265,816          | 3.87          | 557,939            | 83.81           |
| Proposition 56 Supplemental Payments   | 17,647,239           | 3.64          | 13,032,361           | 4.02          | 300,179            | 1.24            | 4,314,646          | 3.17          | 53                 | 0.01            |
| GEMT   | 7,278,970            | 1.50          | 2,249,455            | 0.69          | 1,797,177          | 7.42            | 3,194,227          | 2.35          | 38,112             | 5.73            |
| Total MCAL Revenue   | 1,491,830,424        | 307.45        | 637,768,621          | 196.62        | 254,632,507        | 1,051.67        | 545,785,591        | 401.39        | 53,643,704         | 8,058.44        |
| Add-Ons (Directed Provider Payments)   | 266,382,897          | 54.90         | 107,827,388          | 33.24         | 51,331,639         | 212.01          | 106,986,692        | 78.68         | 237,178            | 35.63           |
| MCO Tax Revenue  | 543,349,356          | 111.98        | 363,228,282          | 111.98        | 27,112,910         | 111.98          | 152,262,731        | 111.98        | 745,433            | 111.98          |
| Interest   | 25,000,000           | 5.15          | 25,000,000           | 7.71          | -                  | -               | -                  | -             | -                  | -               |
| Reinsurance  | 1,358,616            | 0.28          | 908,233              | 0.28          | 67,794             | 0.28            | 380,725            | 0.28          | 1,864              | 0.28            |
| <b>TOTAL REVENUE</b>   | <b>2,327,921,293</b> | <b>479.77</b> | <b>1,134,732,525</b> | <b>349.83</b> | <b>333,144,851</b> | <b>1,375.93</b> | <b>805,415,739</b> | <b>592.33</b> | <b>54,628,178</b>  | <b>8,206.33</b> |
| <b>MEDICAL</b>   |                      |               |                      |               |                    |                 |                    |               |                    |                 |
| Inpatient Hospital   | 338,580,290          | 69.78         | 118,295,759          | 36.47         | 78,413,888         | 323.86          | 141,452,865        | 104.03        | 417,779            | 62.76           |
| Outpatient Facility  | 156,273,105          | 32.21         | 55,344,435           | 17.06         | 30,374,304         | 125.45          | 70,162,144         | 51.60         | 392,221            | 58.92           |
| Emergency Room Facility  | 78,632,250           | 16.21         | 44,135,955           | 13.61         | 7,892,233          | 32.60           | 26,596,348         | 19.56         | 7,715              | 1.16            |
| Primary Physician Services   | 67,985,617           | 14.01         | 45,209,601           | 13.94         | 4,152,295          | 17.15           | 18,590,818         | 13.67         | 32,903             | 4.94            |
| Urgent Care  | 32,288,555           | 6.65          | 21,805,408           | 6.72          | 1,711,808          | 7.07            | 8,566,308          | 6.30          | 205,031            | 30.80           |
| Physician Specialty  | 252,221,873          | 51.98         | 122,800,522          | 37.86         | 30,044,715         | 124.09          | 99,205,227         | 72.96         | 171,410            | 25.75           |
| Behavioral Health Treatment and Mental Health                                | 58,271,202           | 12.01         | 35,714,698           | 11.01         | 13,346,941         | 55.12           | 9,167,743          | 6.74          | 41,820             | 6.28            |
| Other Medical Professional   | 63,308,807           | 13.05         | 35,010,681           | 10.79         | 6,083,296          | 25.12           | 22,115,811         | 16.26         | 99,019             | 14.87           |
| Enhanced Care Management   | 42,928,489           | 8.85          | 15,796,002           | 4.87          | 8,400,173          | 34.69           | 18,614,724         | 13.69         | 117,590            | 17.66           |
| Major Organ Transplant   | 10,719,574           | 2.21          | 2,714,797            | 0.84          | 3,040,013          | 12.56           | 4,791,082          | 3.52          | 173,682            | 26.09           |
| DME  | 18,574,736           | 3.83          | 7,538,239            | 2.32          | 6,395,622          | 26.41           | 4,582,295          | 3.37          | 58,580             | 8.80            |
| Home Health and CBAS   | 10,524,433           | 2.17          | 3,503,184            | 1.08          | 4,263,075          | 17.61           | 2,746,658          | 2.02          | 11,516             | 1.73            |
| Other - Ambulance and Non-Emergent Transportation                            | 33,438,319           | 6.89          | 16,733,622           | 5.16          | 5,815,789          | 24.02           | 10,673,892         | 7.85          | 215,016            | 32.30           |
| Other - LTC, SNF, Hospice  | 108,455,009          | 22.35         | 40,907,939           | 12.61         | 16,225,362         | 67.01           | 2,882,631          | 2.12          | 48,439,077         | 7,276.59        |
| Pay for Performance Quality Incentive  | 7,278,300            | 1.50          | 4,865,533            | 1.50          | 363,184            | 1.50            | 2,039,597          | 1.50          | 9,985              | 1.50            |
| CalAIM Incentive Program   | 13,550,435           | 2.79          | 5,602,698            | 1.73          | 2,415,170          | 9.97            | 5,002,525          | 3.68          | 530,042            | 79.62           |
| Provider Incentive Payments - Prop 56 & GEMT                                 | 23,679,898           | 4.88          | 14,517,725           | 4.48          | 1,992,488          | 8.23            | 7,133,429          | 5.25          | 36,256             | 5.45            |
| Add Ons Directed Provider Payments   | 266,382,897          | 54.90         | 107,827,388          | 33.24         | 51,331,639         | 212.01          | 106,986,692        | 78.68         | 237,178            | 35.63           |
| Reinsurance Premium  | 1,358,616            | 0.28          | 908,233              | 0.28          | 67,794             | 0.28            | 380,725            | 0.28          | 1,864              | 0.28            |
| Member Quality Incentives  | 13,750,186           | 2.83          | 5,690,426            | 1.75          | 2,447,446          | 10.11           | 5,075,188          | 3.73          | 537,126            | 80.69           |
| Medical Department Compensation - MLR Allocation                             | 63,340,090           | 13.05         | 26,212,887           | 8.08          | 11,274,136         | 46.56           | 23,378,803         | 17.19         | 2,474,265          | 371.69          |
| Other Utilization & Quality Review Expenses                                  | 7,099,517            | 1.46          | 2,938,089            | 0.91          | 1,263,669          | 5.22            | 2,620,429          | 1.93          | 277,330            | 41.66           |
| <b>Total Medical Costs</b>   | <b>1,668,642,200</b> | <b>343.89</b> | <b>734,073,822</b>   | <b>226.31</b> | <b>287,315,041</b> | <b>1,186.65</b> | <b>592,765,933</b> | <b>435.94</b> | <b>54,487,404</b>  | <b>8,185.18</b> |
| <b>GROSS PROFIT/(LOSS)</b>   | <b>659,279,093</b>   | <b>135.87</b> | <b>400,658,703</b>   | <b>123.52</b> | <b>45,829,810</b>  | <b>189.28</b>   | <b>212,649,806</b> | <b>156.39</b> | <b>140,774</b>     | <b>21.15</b>    |
| <b>ADMINISTRATIVE</b>  | <b>89,965,427</b>    | <b>18.54</b>  | <b>37,231,610</b>    | <b>11.48</b>  | <b>16,013,278</b>  | <b>66.14</b>    | <b>33,206,204</b>  | <b>24.42</b>  | <b>3,514,335</b>   | <b>527.93</b>   |
| <b>NET PROFIT/(LOSS) BEFORE MCO TAX</b>                                      | <b>569,313,666</b>   | <b>117.33</b> | <b>363,427,093</b>   | <b>112.04</b> | <b>29,816,532</b>  | <b>123.15</b>   | <b>179,443,602</b> | <b>131.97</b> | <b>(3,373,561)</b> | <b>(506.78)</b> |
| <b>MCO TAX EXPENSE</b>   | <b>543,349,356</b>   | <b>111.98</b> | <b>363,228,282</b>   | <b>111.98</b> | <b>27,112,910</b>  | <b>111.98</b>   | <b>152,262,731</b> | <b>111.98</b> | <b>745,433</b>     | <b>111.98</b>   |
| <b>NET PROFIT/(LOSS) AFTER MCO TAX</b>                                       | <b>25,964,310</b>    | <b>5.35</b>   | <b>198,811</b>       | <b>0.06</b>   | <b>2,703,622</b>   | <b>11.17</b>    | <b>27,180,871</b>  | <b>19.99</b>  | <b>(4,118,994)</b> | <b>(618.76)</b> |
| <b>MEDICAL LOSS RATIO (EXCLUDING MCO TAX AND DIRECTED PROVIDER PAYMENTS)</b> | 92.36%               |               | 94.36%               |               | 92.65%             |                 | 88.94%             |               | 101.13%            |                 |
| <b>ADMIN RATIO (EXCLUDING MCO TAX AND DIRECTED PAYMENTS)</b>                 | 5.93%                |               | 5.61%                |               | 6.29%              |                 | 6.08%              |               | 6.55%              |                 |

**KERN HEALTH SYSTEMS  
BUDGETED MEMBER MONTHS  
CY 2024**

| <b>MEDI-CAL</b>  | <b>JAN'24</b> | <b>FEB'24</b> | <b>MAR'24</b> | <b>APR'24</b> | <b>MAY'24</b> | <b>JUN'24</b> | <b>JUL'24</b> | <b>AUG'24</b> | <b>SEP'24</b> | <b>OCT'24</b> | <b>NOV'24</b> | <b>DEC'24</b> | <b>CY 2024</b> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| <i>Adult (1)(3)(5)</i>                                   | 70,000        | 69,200        | 68,400        | 67,600        | 66,800        | 66,000        | 66,000        | 66,000        | 66,000        | 66,000        | 66,000        | 66,000        | 804,000        |
| <i>Child (1)(2)(3)(5)</i>                                | 175,000       | 173,700       | 172,400       | 171,100       | 169,800       | 168,500       | 169,000       | 169,500       | 170,000       | 170,500       | 171,000       | 171,500       | 2,052,000      |
| <i>SPDS (1)(3)</i>                                       | 20,000        | 19,800        | 19,600        | 19,400        | 19,200        | 19,000        | 19,000        | 19,000        | 19,000        | 19,000        | 19,000        | 19,000        | 231,000        |
| <b>TOTAL OTHER</b>                                       | 24,550        | 24,550        | 24,550        | 24,550        | 24,550        | 24,550        | 24,550        | 24,550        | 24,550        | 24,550        | 24,550        | 24,550        | 294,600        |
| <i>-Blind Disabled/Aged Dual</i>                         | 24,000        | 24,000        | 24,000        | 24,000        | 24,000        | 24,000        | 24,000        | 24,000        | 24,000        | 24,000        | 24,000        | 24,000        | 288,000        |
| <i>-LTC Non Dual</i>                                     | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 600            |
| <i>-LTC Dual</i>   | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 500           | 6,000          |
| <b>MEDI-CAL EXPANSION (4)(5)</b>                         | 110,000       | 108,800       | 107,600       | 106,400       | 105,200       | 104,000       | 104,000       | 104,000       | 104,000       | 104,000       | 104,000       | 104,000       | 1,266,000      |
| <i>-Expansion Dual</i>                                   | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 24,000         |
| <i>-Expansion Partial Dual</i>                           | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 50            | 600            |
| <b>TOTAL Unsatisfactory Immigration Status (UIS) (6)</b> | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 180,000        |
| <i>-SIS</i>  | 13,800        | 13,800        | 13,800        | 13,800        | 13,800        | 13,800        | 13,800        | 13,800        | 13,800        | 13,800        | 13,800        | 13,800        | 165,600        |
| <i>-UIS</i>  | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 14,400         |
| <b>TOTAL COMBINED (6)</b>                                | 416,600       | 413,100       | 409,600       | 406,100       | 402,600       | 399,100       | 399,600       | 400,100       | 400,600       | 401,100       | 401,600       | 402,100       | 4,852,200      |

(1) Assumes 60,000 members transition from HealthNet to KHS on 1/1/2024 as follows: Adult = 10,000, Child = 25,000, Expansion = 18,000, SPD = 3,000, Blind Disabled/Aged Dual = 4,000

(2) Assumes additional 500 births each month for Child

(3) Assumes 4,000 members reduction per month due to redeterminations beginning in January through June: Adult -800, Child -1800, Expansion -1200, Spd -200

(4) Assumes an increase of 15,000 UIS members between the ages of 26-49 regardless of immigration status enrolling Jan 2024

(5) Assumes 5,000 Beneficiaries aged 19-20 will move from Adult to Child COA

(6) Includes the removal of approximately 15,000 Kaiser members effective 1/1/2024

**KERN HEALTH SYSTEMS  
MEDI-CAL  
2024 REVENUE BUDGET**

| <b>ENROLLMENT</b>           |                  |
|-----------------------------|------------------|
| Family and Other Members    | 3,243,689        |
| SPD Members                 | 242,123          |
| MCAL Expansion Members      | 1,359,731        |
| LTC Members                 | 6,657            |
| <b>Total Members - MCAL</b> | <b>4,852,200</b> |

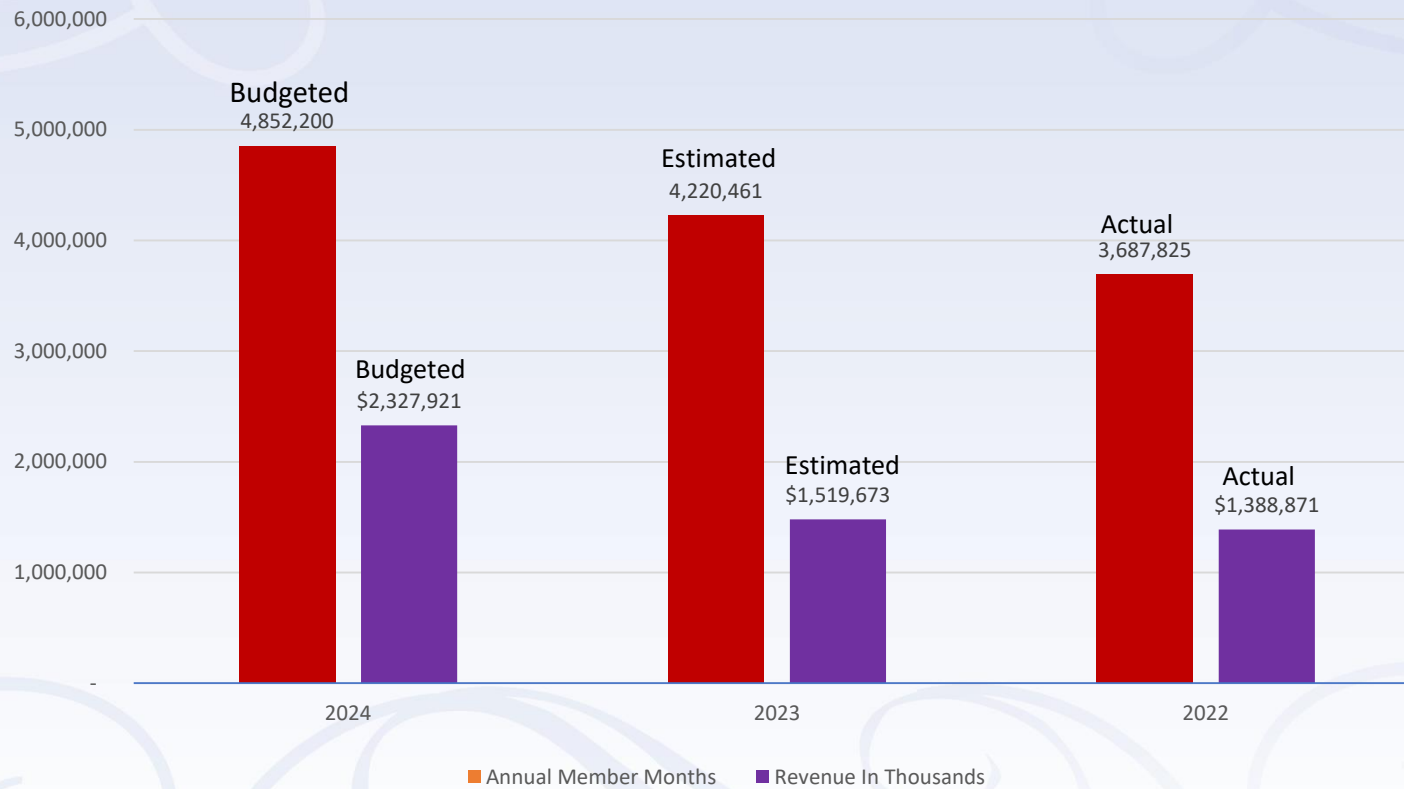
| <b>REVENUES</b>                           |       | <b>PMPM</b>   | <b>\$</b>            |
|---|-------|---------------|----------------------|
| Medicaid Adult/Child & Other              |       | 196.62        | 637,768,621          |
| Medicaid Seniors & Persons w/Disabilities |       | 1,051.67      | 254,632,507          |
| Medicaid Expansion                        |       | 401.39        | 545,785,591          |
| Medicaid Long-Term Care                   |       | 8,058.44      | 53,643,704           |
| <b>SUBTOTAL PREMIUM REVENUE</b>           | (1-7) | <b>307.45</b> | <b>1,491,830,424</b> |
| Directed Payment Revenue                  | (8)   | 54.90         | 266,382,897          |
| Title XIX - Medicaid - MCO Tax            | (11)  | 111.98        | 543,349,356          |
| <b>TOTAL MEDICAID REVENUE</b>             |       | <b>474.33</b> | <b>2,301,562,677</b> |
| Interest Revenue                          | (9)   | 5.15          | 25,000,000           |
| Reinsurance Recoveries                    | (10)  | 0.28          | 1,358,616            |
| <b>TOTAL REVENUES</b>                     |       | <b>479.77</b> | <b>2,327,921,293</b> |

REVENUE ASSUMPTIONS

- 1) ESTIMATED PREMIUM REVENUE IS BASED ON CY 2024 PRELIMINARY BASE RATE INFORMATION RECEIVED 12/5/2023 AND MEMBERSHIP ASSUMPTIONS.
- 2) MATERNITY KICK REVENUE INCLUDED IN PREMIUM REVENUE INCLUDES A MONTHLY DELIVERY ASSUMPTION OF 500 DELIVERIES PER MONTH AND NEWBORNS ACCOUNT FOR A PORTION OF THE MONTHLY MEMBERSHIP INCREASE.
- 3) PROP 56 ADD-ON REVENUE IS BUDGETED WITH CY 2023 RATES AS PLACEHOLDER RATES AND ASSUMES A SIGNIFICANT DECREASE WITH THE IMPLEMENTATION OF THE 87.5% OF MEDICARE REIMBURSEMENT AMOUNTS TO BE INCLUDED IN THE CAPITATION RATES. PROP 56 EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 4) GEMT ADD-ON REVENUE IS BUDGETED USING CY 2023 RATES AND ASSUMES NO SIGNIFICANT PROGRAM CHANGES FROM 2023. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 5) ENHANCED CARE MANAGEMENT PROGRAM ADD-ON REVENUE INCLUDED IN PREMIUM REVENUE IS BUDGETED USING CY 2024 RATES. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 6) MAJOR ORGAN TRANSPLANT ADD-ON REVENUE INCLUDED IN PREMIUM REVENUE IS BUDGETED WITH CY 2024 RATE INFORMATION. EXPENSE IS BUDGETED TO BE 95% OF REVENUE.
- 7) CALAIM INCENTIVE PROGRAM REVENUE INCLUDED IN PREMIUM REVENUE IS BASED ON PROGRAM DOLLAR AMOUNTS EXPECTED TO BE RECEIVED BY DHCS IN CY 2024. EXPENSE IS BUDGETED TO BE 95% OF REVENUE ALTHOUGH THERE ARE TIMING DIFFERENCES EXPECTED.
- 8) DIRECTED PAYMENT ADD-ON REVENUE INCLUDING PHDP, EPP, AND QIP IS BUDGETED USING ESTIMATED CY2023 RATES AS A PLACEHOLDER AS CURRENT RATES HAVE NOT BEEN PROVIDED BY DHCS. REVENUE AND EXPENSE ARE ASSUMED TO BE BUDGET NEUTRAL.
- 9) BUDGETED INTEREST REVENUE IS BASED ON A \$500 MILLION AVERAGE INVESTMENT BALANCE AT AN ASSUMED 5% INTEREST RATE. POTENTIAL UNKNOWN MARKET GAINS OR LOSSES ARE NOT INCLUDED.
- 10) FOR CY 2024, THE REINSURANCE DEDUCTIBLE IS EXPECTED TO BE CONSISTENT WITH CY 2023. REINSURANCE RECOVERIES ARE ASSUMED AT 100% OF PREMIUM.
- 11) THE MCO TAX PROGRAM IS SCHEDULED TO BE RENEWED IN CY 2024 WITH PAYMENTS EFFECTIVE JANUARY 2024. MCO TAX REVENUE IS BASED ON CY 2024 PRELIMINARY BASE RATE INFORMATION RECEIVED 12/5/2023 AND MEMBERSHIP ASSUMPTIONS. EXPENSE IS BUDGETED TO OFFSET REVENUE.



# Revenue and Annual Member Months



**KERN HEALTH SYSTEMS  
2024 BUDGET  
UTILIZATION AND UNIT COST ASSUMPTIONS**

**FAMILY & OTHER**

|  | Annualized Increase |             |
|--|---------------------|-------------|
|  | Unit Cost           | Utilization |
| Inpatient Hospital   | 4.00%               | 2.00%       |
| Outpatient Facility  | 4.00%               | 2.00%       |
| Emergency Room   | 4.00%               | 2.00%       |
| Long Term Care/Hospice                                     | 5.00%               | 3.00%       |
| Urgent Care  | 4.00%               | 2.00%       |
| Physician Primary Care                                     | 5.00%               | 2.00%       |
| Physician Specialty  | 5.00%               | 3.00%       |
| Other Medical Professional                                 | 5.00%               | 3.00%       |
| Mental Health  | 5.00%               | 2.00%       |
| Laboratory and Radiology                                   | 4.00%               | 2.00%       |
| Home and Community Based Services                          | 5.00%               | 2.00%       |
| Other, Ambulance, and Non-Emergency Medical Transportation | 5.00%               | 3.00%       |

**SENIORS & PERSONS WITH DISABILITIES (SPD)**

|  | Annualized Increase |             |
|--|---------------------|-------------|
|  | Unit Cost           | Utilization |
| Inpatient Hospital   | 4.00%               | 2.00%       |
| Outpatient Facility  | 4.00%               | 2.00%       |
| Emergency Room   | 4.00%               | 2.00%       |
| Long Term Care/Hospice                                     | 5.00%               | 3.00%       |
| Urgent Care  | 4.00%               | 2.00%       |
| Physician Primary Care                                     | 5.00%               | 2.00%       |
| Physician Specialty  | 5.00%               | 3.00%       |
| Other Medical Professional                                 | 5.00%               | 3.00%       |
| Mental Health  | 5.00%               | 2.00%       |
| Laboratory and Radiology                                   | 4.00%               | 2.00%       |
| Home and Community Based Services                          | 5.00%               | 2.00%       |
| Other, Ambulance, and Non-Emergency Medical Transportation | 5.00%               | 3.00%       |

**EXPANSION**

|  | Annualized Increase |             |
|--|---------------------|-------------|
|  | Unit Cost           | Utilization |
| Inpatient Hospital   | 4.00%               | 2.00%       |
| Outpatient Facility  | 4.00%               | 2.00%       |
| Emergency Room   | 4.00%               | 2.00%       |
| Long Term Care/Hospice                                     | 5.00%               | 3.00%       |
| Urgent Care  | 4.00%               | 2.00%       |
| Physician Primary Care                                     | 5.00%               | 2.00%       |
| Physician Specialty  | 5.00%               | 3.00%       |
| Other Medical Professional                                 | 5.00%               | 3.00%       |
| Mental Health  | 5.00%               | 2.00%       |
| Laboratory and Radiology                                   | 4.00%               | 2.00%       |
| Home and Community Based Services                          | 5.00%               | 2.00%       |
| Other, Ambulance, and Non-Emergency Medical Transportation | 5.00%               | 3.00%       |

**LTC**

|  | Annualized Increase |             |
|--|---------------------|-------------|
|  | Unit Cost           | Utilization |
| Inpatient Hospital   | 4.00%               | 2.00%       |
| Outpatient Facility  | 4.00%               | 2.00%       |
| Emergency Room   | 4.00%               | 2.00%       |
| Long Term Care/Hospice                                     | 5.00%               | 3.00%       |
| Urgent Care  | 4.00%               | 2.00%       |
| Physician Primary Care                                     | 5.00%               | 2.00%       |
| Physician Specialty  | 5.00%               | 3.00%       |
| Other Medical Professional                                 | 5.00%               | 3.00%       |
| Mental Health  | 5.00%               | 2.00%       |
| Laboratory and Radiology                                   | 4.00%               | 2.00%       |
| Home and Community Based Services                          | 5.00%               | 2.00%       |
| Other, Ambulance, and Non-Emergency Medical Transportation | 5.00%               | 3.00%       |

Note 1: The above percentages were based on paid claims cost history for the 6 month period January 2023 through June 2023 paid as of August 2023. Percentages are rounded to the nearest whole percentage. The Unit Cost percentage increases above do not reflect expected increases from paying at Medi-Cal rates to paying 87.5% Medicare for Physician Primary Care Services, Physician Specialty, Other Medical and Non-Specialty Mental Health.

2024 ADMINISTRATIVE BUDGET ASSUMPTIONS

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>ADMINISTRATIVE EXPENSES | 2024 BUDGET  |                      | 2023 ESTIMATED |                      | DIFFERENCE    |                     |
|--|--------------|----------------------|----------------|----------------------|---------------|---------------------|
|  | PMPM         | \$                   | PMPM           | \$                   | PMPM          | \$                  |
| Administrative:  |              |                      |                |                      |               |                     |
| Compensation   | 10.24        | 49,678,432           | 9.96           | 42,034,307           | 0.28          | 7,644,126           |
| Purchased Services   | 4.59         | 22,284,741           | 5.48           | 23,144,208           | (0.89)        | (859,467)           |
| Supplies   | 0.55         | 2,664,847            | 0.34           | 1,415,945            | 0.21          | 1,248,903           |
| Depreciation   | 1.76         | 8,531,055            | 1.95           | 8,227,307            | (0.19)        | 303,748             |
| Other Administrative Expenses                              | 1.40         | 6,806,352            | 1.45           | 6,131,388            | (0.05)        | 674,964             |
| <b>Total Administrative Expenses</b>                       | <b>18.54</b> | <b>\$ 89,965,427</b> | <b>19.18</b>   | <b>\$ 80,953,153</b> | <b>(0.64)</b> | <b>\$ 9,012,273</b> |
| <b>Member Months</b>                                       |              | <b>4,852,200</b>     |                | <b>4,220,461</b>     |               | <b>631,739</b>      |

COMPENSATION

COMPENSATION EXPENSE WAS BASED ON STAFFING LEVELS NEEDED TO SUPPORT THE GRADUAL ENROLLMENT OF 4,852,200 MEMBER MONTHS AND FOR THE IMPLEMENTATION AND MANAGEMENT OF BENEFITS AND PROGRAMS REQUIRED UNDER CALAIM.

- 1.) THE 2024 BUDGETED COMPENSATION AMOUNT INCLUDES AN INCREASE OF APPROXIMATELY \$1.5 MILLION FOR 14 NEW ADMINISTRATIVE STAFF POSITIONS, PAYROLL TAXES AND INCREASED BENEFIT RATES, INCLUDING CALPERS AND EMPLOYER RETIREMENT CONTRIBUTIONS. THE ADDITIONAL POSITIONS WERE NEEDED FOR REGULATORY PROJECTS, AND TO SUPPORT OPERATIONAL IMPROVEMENTS AND MEMBERSHIP GROWTH. APPROXIMATELY \$1.7 MILLION OF THE PROJECTED INCREASE IS FOR A 4% AVERAGE MERIT ADJUSTMENT, AND PROMOTIONS.
- 2.) THE 2024 EXPENSE INCLUDES APPROXIMATELY \$2 MILLION FOR A \$5,000 PER EMPLOYEE INFLATION STIPEND FOR ALL EMPLOYEES.
- 3.) THE 2024 EXPENSE INCLUDES AN INCREASE OF \$2.4 MILLION FOR TEMPORARY HELP TO ASSIST WITH MEMBERS TRANSITIONING FROM HEALTHNET.

PURCHASED SERVICES

- 4.) THE 2024 BUDGET INCLUDES APPROXIMATELY \$2.9 MILLION FOR INCREASES IN ANNUAL SYSTEM MAINTENANCE EXPENSES INCLUDING PURCHASES OF NEW LICENSES AND INCREASES TO INFORMATION SECURITY SYSTEM EXPENSES AND EQUIPMENT MAINTENANCE AND REPAIRS.
- 5.) THE 2024 BUDGET INCLUDES APPROXIMATELY \$500K FOR INCREASES IN ADVERTISING AND PROMOTIONS, LEGAL EXPENSES, AND CLAIM PROCESSING EXPENSES.
- 6.) THE 2024 BUDGET INCLUDES AN EXPECTED REDUCTION OF APPROXIMATELY (\$4.2) MILLION FOR OTHER PROFESSIONAL SERVICES EXPENSES DUE TO AN INCREASED NUMBER OF PROFESSIONAL SERVICES TO BE CAPITALIZED AS ASSETS BASED ON 2024 PROJECTED PROJECTS VERSUS 2023.

SUPPLIES

- 7.) THE 2024 BUDGETED EXPENSE FOR SUPPLIES INCLUDES AN INCREASE OF APPROXIMATELY \$1.3 MILLION FOR SUCH OFFICE ITEMS AS LETTERHEAD, ENVELOPES, OFFICE EQUIPMENT PURCHASES, AND SUPPLIES RELATED TO MEMBER MAILINGS INCLUDING POSTAGE.

DEPRECIATION

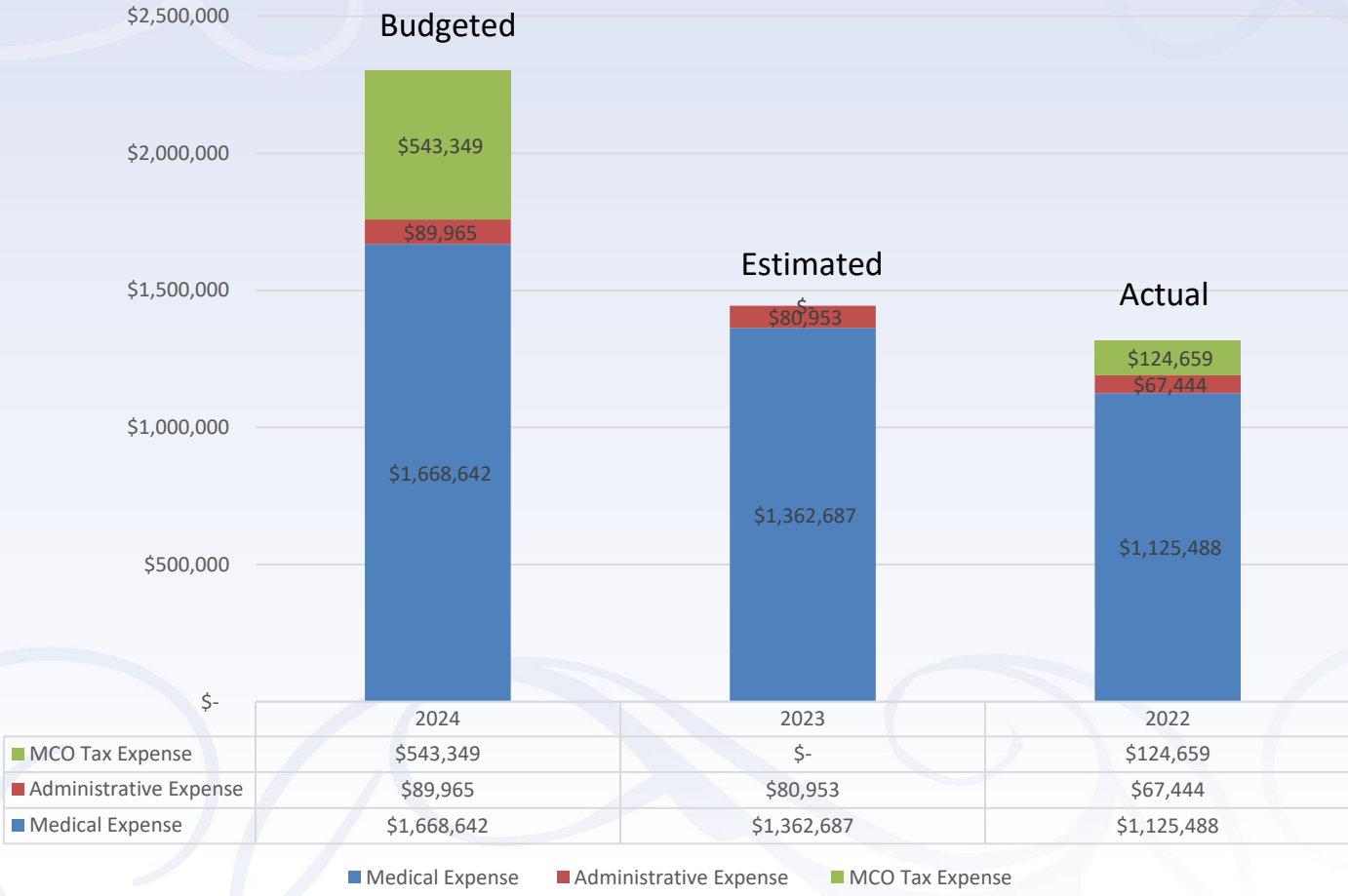
- 8.) THE 2024 DEPRECIATION EXPENSE IS EXPECTED TO INCREASE APPROXIMATELY \$300K DUE TO A FULL YEAR OF EXPENSE FOR CAPITALIZED ASSETS COMPLETED AND PUT INTO PRODUCTION IN 2023.

OTHER ADMINISTRATIVE EXPENSES

- 9.) THE 2024 BUDGETED EXPENSE FOR OTHER ADMINISTRATIVE EXPENSES REFLECTS INCREASES OF APPROXIMATELY \$400K IN RECRUITMENT EXPENSES AND TRAINING & DEVELOPMENT EXPENSE.
- 10.) THE 2024 BUDGET INCLUDES AN EXPECTED INCREASE OF APPROXIMATELY \$300K FOR OTHER ADMINISTRATIVE EXPENSES INCLUDING INCREASES IN REGULATORY LICENSE FEES, EMPLOYEE TRAINING COSTS, UTILITIES AND MISCELLANEOUS OTHER EXPENSES.

# Expenses

In Thousands



KERN HEALTH SYSTEMS  
2024 BUDGETED FTE BY DEPARTMENT

| EXPECTED MEMBERSHIP         |  | 415,428                 | 412,100   | 422,422  | 426,200    | 422,428    | 393,229  | 399,422   | 426,100   | 433,422     | 421,100   | 421,422  | 421,100  | 4,452,200 | TOTAL 2024 FTE ADDITIONS |
|-----------------------------|--|-------------------------|-----------|----------|------------|------------|----------|-----------|-----------|-------------|-----------|----------|----------|-----------|--------------------------|
| CC                          | DEPARTMENT                               | PROJECTED DECEMBER 2023 | JAN 2024  | FEB 2024 | MARCH 2024 | APRIL 2024 | MAY 2024 | JUNE 2024 | JULY 2024 | AUGUST 2024 | SEPT 2024 | OCT 2024 | NOV 2024 | DEC 2024  | TOTAL 2024               |
| <b>ADMINISTRATIVE FTES:</b> |  |                         |           |          |            |            |          |           |           |             |           |          |          |           |                          |
|                             | 110 EXECUTIVE                            | 4                       | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 4                        |
|                             | 112 GOVERNMENT RELATIONS (NEW)           | 2                       | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 2                        |
|                             | 210 FINANCE                              | 27                      | 2         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 29                       |
|                             | 211 INFORMATION TECHNOLOGY               | 27                      | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 27                       |
|                             | 221 BUSINESS INTELLIGENCE                | 22                      | 1         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 23                       |
|                             | 222 ENTERPRISE DEVELOPMENT               | 22                      | 1         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 23                       |
|                             | 32 ENTERPRISE CONFIGURATION              | 18                      | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 18                       |
|                             | 326 TECHNICAL ADMINISTRATIVE SERVICES    | 4                       | -         | -        | -          | -          | -        | 1         | -         | -           | -         | -        | -        | -         | 5                        |
|                             | 330 CLAIMS                               | 65                      | -         | 1        | 1          | 1          | -        | -         | -         | -           | -         | -        | -        | -         | 68                       |
|                             | 340 PROJECT MANAGEMENT                   | 16                      | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 16                       |
|                             | 350 PROVIDER NETWORK MANAGEMENT          | 35                      | 2         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 37                       |
|                             | 371 DMS (NEW)                            | 3                       | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 3                        |
|                             | 380 CORPORATE SERVICES                   | 14                      | 1         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 15                       |
|                             | 385 COMPLIANCE & REGULATORY AFFAIRS      | 12                      | -         | -        | -          | 1          | -        | -         | -         | -           | -         | -        | -        | -         | 13                       |
|                             | 420 MARKETING                            | 11                      | 1         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 12                       |
|                             | 520 HR                                   | 25                      | -         | -        | 1          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 26                       |
|                             | 603 D-SNP/HEALTHCARE                     | 2                       | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 2                        |
| <b>MEDICAL FTES:</b>        |  |                         |           |          |            |            |          |           |           |             |           |          |          |           |                          |
|                             | 210 UTILIZATION MANAGEMENT               | 18                      | -         | -        | 3          | -          | 1        | -         | -         | -           | -         | -        | -        | -         | 22                       |
|                             | 311 QI                                   | 19                      | -         | -        | 4          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 23                       |
|                             | 312 HEALTH ED                            | 20                      | -         | -        | 3          | 1          | -        | -         | -         | -           | -         | 1        | -        | -         | 25                       |
|                             | 313 PHARMACY                             | 10                      | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 10                       |
|                             | 314 ENHANCED CARE MANAGEMENT             | 24                      | -         | -        | 7          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 31                       |
|                             | 316 POPULATION HEALTH MANAGEMENT         | 42                      | -         | -        | 8          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 50                       |
|                             | 317 COMMUNITY SUPPORT SERVICES           | 11                      | -         | -        | 2          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 13                       |
|                             | 320 MEMBER SERVICES                      | 111                     | -         | -        | 5          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 116                      |
|                             | 331 MEMBER OUTREACH (NEW)                | 23                      | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 23                       |
|                             | 400 MEMBER ENGAGEMENT                    | 14                      | 2         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 16                       |
|                             | 401 BEHAVIORAL HEALTH                    | 14                      | -         | -        | 3          | -          | -        | -         | 2         | -           | -         | -        | -        | -         | 19                       |
|                             | 481 HEALTH EQUITY                        | 5                       | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 5                        |
|                             | 484 CLINICAL OPS STRAT & ANALYTICS (NEW) | 10                      | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 10                       |
|                             | 485 QUALITY PERFORMANCE                  | 3                       | -         | -        | -          | -          | -        | -         | -         | -           | -         | -        | -        | -         | 3                        |
| <b>TOTAL</b>                |  | <b>705</b>              | <b>10</b> | <b>1</b> | <b>34</b>  | <b>3</b>   | <b>1</b> | <b>1</b>  | <b>2</b>  | <b>-</b>    | <b>1</b>  | <b>-</b> | <b>-</b> | <b>-</b>  | <b>758</b>               |



**ATTACHMENT #7**

**2024 New Employee Requests**

---

**Background**

Budget period 2024 is a continuation of the major transformation occurring with the Medi-Cal Managed Care Plans throughout California. The CalAIM initiatives will add several new benefits, expansion of membership, implementation of specific initiatives, and significant growth over the next three (3) years. To be successful in implementing the expanded regulatory requirements, KHS will have to expand in all functional areas and in some instances create new departments to be in regulatory compliance with DHCS. For 2024, the addition of full-time employees (FTEs) will be prioritized by focusing on strengthening regulatory compliance and implementation of CalAIM initiatives previously outlined in the 2023-2025 strategic initiatives.

**Additionally, KHS has recently received files from DHCS indicating over 60,000 members will be transitioning from HealthNet to KHS effective January 1, 2024**

Described below is each department's additional FTE needs for 2024.

**Process**

The KHS CEO and CFO met with each department to review all budgets and staffing requests. After the review was completed, **53 new FTEs** are deemed necessary positions required to meet the various departments demand resulting from:

- Expansion of DHCS programs, primarily from CalAIM initiatives, required over the next several years (D-SNP; NCQA Accreditation; Behavioral Health Program; Quality and Health Equity Program; Expansion of Telehealth Benefit)
- Increased focus on member Quality scores and overall regulatory compliance
- DHCS Incentive Programs (Incentive Payment Program, Housing and Homelessness Incentive Program, and Student Behavioral Health Improvement Program)
- Expanding health plans' role in data collection, compilation, formatting, presentation and filing requirements as mandated by DHCS and DMHC.



**Department Specific Staffing Needs**

- **Finance**

Finance requires **2 FTEs** to support the increasing administrative functions of the department resulting from continued growth and demands placed on the health plan. 1 FTE will be an Accounting Clerk level position that will allow the department to continue processing timely the increasing number of Fee-for-Service payments and various other supplemental payments to providers. 1 FTE is required to provide additional oversight and review of the various required statutory financial reports, serve as the primary liaison for the annual financial audit, and coordinate responses and provide additional analysis in response to information requests from regulatory agencies including DMHC and DHCS. In addition, this position will assist with the review and implementation of a new accounting system and participate in the development of financial reports and related strategic planning as part of Medicare line of business implementation.

- **Business Intelligence (BI)**

BI requires **1 FTE** to manage the increase in demand for more sophisticated analytics and reporting requirements on Medi-Cal health plans from DHCS, DMHC and NCQAA and reporting needs for the Executive Suite. This department is tasked with all reporting and analytics for the company. Much of the additional work in 2024 originates from the CalAIM strategies that are being implemented by KHS. Additionally, frequent audits, the consistent delivery of numerous APLs to the plan, and the new DSNP line of business will put even more demand on the BI department.

- **Enterprise Development (ED)**

ED requires a total of **1 FTE** to keep up with overall growth and demand on Medi-Cal health plans from DHCS. This department is responsible for all data management for the company in the data warehouse; software system integrations; and third party (i.e., providers, supplemental benefits) data transformation and delivery. With CalAIM putting more demand on population health and data driven work approaches, this team has seen a significant increase in the data being managed by the plan and its partners. The ED department requires 1 FTE Database Administrator that designs, implements, and supports the extraction, transformation, and loading (ETL) processes to move data between systems, ensuring data quality, consistency, and optimized performance.



- **Technical Administrative Services (TAS) - New Department for 2024**

TAS requires **1 FTE** to provide technical services for segregation of responsibilities. This position will lead the team responsible for technical and administrative system functionalities: Budget Management, Information Security, and Enterprise Architecture. The role will work with the CIO to strategize and implement best practices, supervise technical and administrative staff, and consult with other departments. The role ensures data accuracy, system reliability, and streamlined operations, while also fostering innovation to drive continuous improvement and alignment with organizational goals.

- **Claims Adjudication and Processing**

Claims requires **3 FTEs** to meet the demand of growing regulatory implementations as well as the increase in claims volume. 1 Claims Examiners is required due to new programs and members not previously covered by managed care. 1 Claims Provider Liaison is needed due to the increase in the volume of calls into the provider claims call center. 1 Claims Examiner Auditor is required to ensure continued accuracy on high dollar claims and targeted audits.

**(Necessary to fulfill DHCS performance standards and service requirements in 2024)**

- **Project Management (PM)**

The PM department requires **1 FTE** to keep up with the consistent need for new projects to meet the demands of more sophisticated, complex technical infrastructure, performance requirements from DHCS, DMHC and NCQA. The Portfolio Manager will oversee a team of Project Mangers in addition to the Portfolio Analyst. Portfolio Management within the Project Management Office prioritizes, balances, and oversees all projects, aligning with organizational objectives, ensuring optimal resource allocation and maximizing value delivery.

- **Provider Network Management (PNM)**

PNM requires **2 FTEs** to support the continuing network growth in provider contracts, Community Based Organizations, Behavioral Health and Population Health Management programs. The FTEs will assist with the monitoring and oversight of our delegated contracts to ensure collaboration and compliance with all regulatory requirements. They will also ensure that KHS is able to continue to provide the level of service providers expect by providing provider education that the plan is required to comply with especially for all the CalAim initiatives.





- **Corporate Services (CS)**

CS requires 1 FTE to meet the new centralized mailroom set-up that will create a more efficient mail processing system. The new Centralized Mailroom will now encompass all printing, mail stuffing, OCR scanning, and mailing services in one centralized location.

- **Compliance and Regulatory Affairs (CRA)**

CRA requires 1 FTE due to the financial and operational risk to the plan. The increased number and complexity of regulatory requirements issued through All Plan Letters and other Directives, anticipated increases in Corrective Action Plan development and follow up related to upcoming Routine DHCS and DMHC Medical Audits, increased workload related to 2024 Contract Readiness Activities which includes the submission of approximately 150 deliverables in 2024 and resuming/expanding upon internal audits of operational areas from a contractual and DMHC/DHCS Audit perspective. Additionally, oversight of providers, vendor, and subcontracted delegated entities, including privacy and fraud prevention, requires extensive documentation review, preparation, and hearing participation.

**(Necessary to fulfill DMHC and DHCS performance standards, filings, and service requirements in 2024)**

- **Marketing**

The Marketing department requires 1 FTE to enhance member, provider, employee, and corporate communications and support enrollment and reenrollment strategies. Marketing will improve and expand communications by promoting KHS accomplishments and community benefit to our employees, providers, and community along with overseeing the development of engaging member messaging for member communications. Marketing will also sustain implemented Medi-Cal renewal strategies and initiatives and maximize new enrollment opportunities while competing with two new health plan choices in Kern County.

- **Human Resources (HR)**

HR requires 1 FTE due to anticipating a significant increase in the 2024 FTE count. This individual will work closely with business leaders, managers, and employees to provide strategic HR guidance and support.



- **Utilization Management (UM)**

UM requires **4 FTEs** to ensure compliance with DHCS regulatory requirements and timeliness of decisions. 2 FTEs will be Non-Licensed Care Management Assistants to ensure that members receive the needed support required to transition from one setting to another. The focus of this team will be to facilitate these transitions for the sickest of our members transitioning from Acute level of care to post-acute settings as well as managing the transition of those receiving surgery in an outpatient hospital environment. 1 FTE is required for Transportation and LOA management and will be responsible for creating authorizations for transportation services provided to members by non-par transportation vendors to allow for claims payment of non-par providers that provide services to members. Single patient LOAs are required as DHCS will not allow blanket LOA or agreement with non-Medi-Cal enrolled vendors. 1 FTE Administrative Supervisor is required to provide direct supervision to the non-licensed staff performing administrative support functions for UM related operational tasks outside of the traditional authorization workflow.

**(Necessary to fulfill DHCS performance standards, service requirements and new benefit in 2024)**

- **Quality Improvement (QI)**

QI requires **3 FTEs** to meet the increased oversight of and support for compliance by Health Services departments with State regulatory requirements for Managed Care Plans. 1 Clinical Network oversight RN staff is required to provide alignment with the DHCS 2024 contractual requirements under the Comprehensive Quality Strategy for the promotion of evidence-based clinical practice guidelines to KHS's plan providers and our Medi-Cal members. To ensure KHS's health plan and health equity accreditation is supported and sustainable, the addition of 2 NCQA analysts will be necessary to meet operational readiness and deliverables on an ongoing basis.

**(Necessary to fulfill DHCS performance standards and service requirements in 2024)**

- **Health Education (HE)**

HE requires **5 FTEs** to meet KHS' growing and diverse demands for health education program and services. 2 FTEs will be Member Health Educators and will allow the department to direct focused efforts on wellness and prevention programs throughout the county through collaboration, direct service facilitation and training on evidence-based best practices and toolkits among network providers and community partners. Additionally, since last year, KHS has seen a 52% increase for interpreting services, a 58% increase for written translations along with a regulatory need to perform more continuous monitoring and evaluation of services to ensure effective communication between members and their health care team. 3 FTEs will be Cultural and Linguistic Specialist focusing on interpreting services in KHS top 2-3 languages and will allow KHS to continue to support access to the regulatory (federal and state) language access services among Limited English Proficient (LEP) members to ensure effective communication with their health care team.

**(New DHCS Contract Requirements)**



- **Enhanced Care Management (ECM)**

ECM requires **7 FTEs** to assist with care management and outreach support to existing and several new ECM provider sites throughout the county. In 2024, ECM will also be adding the Justice-Involved Initiative and the Birth Equity Population Focus. To meet the expansion of ECM services, ECM requires 5 new ECM Advocate FTEs and 1 new ECM Outreach Specialists. Finally, due to the overall monitoring and oversight required of the ECM program, data exchange requirements, and coordination and overall networking, ECM requires 1 new ECM Supervisor to assist in ensuring that the ECM program is in compliance with the multitude of DHCS regulations and requirements.  
**(CalAIM Expansion)**

- **Population Health Management (PHM)**

PHM requires **4 FTEs** to meet DHCS requirements and Operational Readiness. 1 RN and 1 Community Health workers are required under the new DHCS requirement that Transition of Care services are to be provided to **all** members that are transitioning from one level of care to another level of care. 1 Community Health Worker is required for the Baby Steps Plus Program to work in the community with pregnant and postpartum moms to provide care coordination and connection to improve the patient's health and general well-being through education and coordination of care and services. 1 RN is required for Children with Special Health Care Needs to assist children and their families in accessing medically necessary physical, behavioral, dental services as well as social and educational services.  
**(Necessary to fulfill DHCS performance standards and service requirements in 2024)**

- **Community Support Services (CSS)**

CCS requires **3 FTEs** to support several new CSS benefits that will be implemented in 2024 along with the new CBO program sites in the county. 2 Community Health Worker and 1 CSS Outreach Specialist are required to support approximately 25-30 CSS program providers in place. Due to the exponential growth of the program, the new FTEs will be necessary to align with DHCS standards.  
**(CalAIM Expansion)**

- **Member Services (MS)**

Member Services require 5 FTE Member Services Representatives to manage the growth in new membership and various member outreach campaigns (mail, phone, and text) relating to redeterminations, homelessness, flu, etc.  
**(Necessary to fulfill DHCS performance standards and service requirements in 2024)**



- **Member Engagement (ME)**

ME requires **2 FTEs** to build stronger relationships and trust with members, enhance member satisfaction, and optimize business operations. ME will encourage members to become more active and empowered in their health care, provide the right communication at the right time at the right place, create equity of access to health resources, and improve member health disparities. The FTEs will coordinate member engagement strategies for all KHS departments that serve members so that gaps are identified, successful strategies are shared, and member satisfaction and utilization are improved throughout the member's continuum of care. ME will also help launch a Customer Relationship Management (CRM) system that will manage and improve interactions with members, providers, and other stakeholders by centralizing member data, automating processes, and providing valuable insights.

**(Necessary to fulfill DHCS performance standards and service requirements in 2024)**

- **Behavioral Health (BH)**

BH requires **5 FTEs** to support the increase in the BH Provider Network to meet the requirements for the following APLs: BHT, No Wrong Door, CHW Integration Plan for PHM and Behavioral Health, and Adult and Youth Screening Tools. MCPs are required to screen all members who are not already in treatment and refer to either KBHRS or KHS network of providers. These FTEs will assist with the outreach, screening and referral processes to link the members to BH services, whether that be our network providers, or the specialty mental health department based on the member's level of care need. These FTEs will assist with provider education, data collection, collaboration, and regulatory requirements.

**(Necessary to fulfill DHCS performance standards and service requirements in 2024)**

2024 CAPITAL BUDGET

KERN HEALTH SYSTEMS  
2024 CAPITAL BUDGET

| ITEM  | CORPORATE PROJECTS                               | TYPE <sup>(1)</sup> | QTR     | COST         | NOTES | 2023                      | 2022                      | 2021                      | TOT. PRJ. <sup>(2)</sup> | CalAIM |
|---|--|---------------------|---------|--------------|-------|---------------------------|---------------------------|---------------------------|--------------------------|--------|
| 1   | Member Engagement Platform                       | B                   | 1,2,3,4 | \$ 2,717,777 |       | \$ 777,835                |                           |                           | \$ 3,495,612             | Y      |
| 2   | Member and Provider Portal                       | N                   | 3,4     | \$ 750,000   |       |                           |                           |                           | \$ 750,000               | Y      |
| 3   | Basic Population Health Management (BPHM)        | B                   | 1,2,3,4 | \$ 200,000   |       | \$ 314,291                |                           |                           | \$ 514,291               | Y      |
| 4   | Medicare Advantage DSNP                          | N                   | 1,2,3,4 | \$ 6,560,408 |       |                           |                           |                           | \$ 6,560,408             | Y      |
| 5   | Health Information Exchange Implementation (HIE) | N                   | 1,2,3,4 | \$ 1,900,870 |       |                           |                           |                           | \$ 1,900,870             | Y      |
| 6   | Artificial Intelligence (AI)                     | N                   | 1,2,3,4 | \$ 2,190,846 |       |                           |                           |                           | \$ 2,190,846             | N      |
| 7   | PHI Data Visibility and Security                 | N                   | 1,2,3,4 | \$ 1,684,111 |       |                           |                           |                           | \$ 1,684,111             | N      |
| 8   | CBO Electronic Medical Record System             | N                   | 1,2,3,4 | \$ 1,152,550 |       |                           |                           |                           | \$ 1,152,550             | Y      |
| 9   | Policy Management System                         | N                   | 1,2,3,4 | \$ 542,280   |       |                           |                           |                           | \$ 542,280               | N      |
| 10  | Accounting System Review                         | N                   | 1,2,3,4 | \$ 1,445,898 |       |                           |                           |                           | \$ 1,445,898             | N      |
| 11  | Centralized Mailroom                             | N                   | 1,2,3,4 | \$ 50,000    |       |                           |                           |                           | \$ 50,000                | N      |
| <b>CORPORATE PROJECT SUBTOTAL</b>                               |  |                     |         |              |       | <b>\$ 2,405,762</b>       | <b>\$ 3,664,556</b>       | <b>\$ 3,358,808</b>       | <b>\$ 20,286,866</b>     |        |
| <b>BUILDING IMPROVEMENTS, OFFICE FURNITURE, &amp; EQUIPMENT</b> |  |                     |         |              |       | <b>2023</b>               | <b>2022</b>               | <b>2021</b>               | <b>PROJECT COST</b>      |        |
| 12  | New Building Offices                             | N                   | 1,2,3,4 | \$ 515,000   |       |                           |                           |                           | N/A                      | N      |
| 13  | Building Enhancements                            | N                   | 1,2,3,4 | \$ 356,500   |       |                           |                           |                           | N/A                      | N      |
| 14  | Office Furniture and Equipment                   | N                   | 1,2,3,4 | \$ 150,000   |       | \$ 666,414                | \$ 169,000                | \$ 88,250                 | N/A                      | N      |
| 15  | New Company Vehicle                              | N                   | 1       | \$ 50,000    |       |                           |                           |                           | N/A                      | N      |
| <b>OFFICE FURNITURE &amp; EQUIPMENT SUBTOTAL</b>                |  |                     |         |              |       | <b>\$ 666,414</b>         | <b>\$ 169,000</b>         | <b>\$ 88,250</b>          | <b>N/A</b>               |        |
| <b>TECHNOLOGY</b>   |  |                     |         |              |       | <b>2023<sup>(3)</sup></b> | <b>2022<sup>(3)</sup></b> | <b>2021<sup>(3)</sup></b> |                          |        |
| 16  | Services Management Software                     | N                   | 1,2,3,4 | \$ 350,000   |       |                           |                           | \$ 28,922                 | N/A                      | N      |
| 17  | Member Demographic Enhancements                  | N                   | 1,2,3,4 | \$ 189,400   |       |                           |                           |                           | N/A                      | N      |
| 18  | Hardware Replacement                             | N                   | 1,2,3,4 | \$ 512,275   |       |                           | \$ 964,320                | \$ 197,743                | N/A                      | N      |
| 19  | New and Replacement Employee Equipment           | N                   | 1,2,3,4 | \$ 930,000   |       | \$ 546,266                | \$ 186,258                | \$ 167,168                | N/A                      | N      |
| 20  | Core System Licensing                            | N                   | 3,4     | \$ 1,685,616 |       | \$ 111,165                | \$ 624,264                | \$ 253,861                | N/A                      | N      |
| <b>TECHNOLOGY SUBTOTAL</b>                                      |  |                     |         |              |       | <b>\$ 2,048,090</b>       | <b>\$ 2,409,706</b>       | <b>\$ 761,300</b>         | <b>N/A</b>               |        |
| <b>TOTAL 2024 CAPITAL ITEMS</b>                                 |  |                     |         |              |       | <b>\$ 5,013,852</b>       | <b>\$ 8,643,262</b>       | <b>\$ 4,208,358</b>       | <b>\$ 20,286,866</b>     |        |

(1) Type R is a Renewal or Replacement / Type N is New / Type B is Both  
 (2) Does not include ongoing maintenance and support that is expected not to exceed 10% of the total project cost during the initial five years  
 (3) Actual Expenditures  
 (4) Pending 2023 invoice from Microsoft

## 2024 Capital Summary

### Corporate Projects

#### **1. Member Engagement Platform**

Member engagement is the ongoing interaction between a member and an organization in exchange for meaningful value. Kern Health Systems (KHS) has procured and built several systems over the years to facilitate the organizations member engagement. These systems include the customer service phone calls (cold calls); social media; member website portal; mobile phone application; texting software; automated phone calls (robocalls); online and mobile health risk assessment applications; member rewards; and a Patient Access API (Interoperability). These capital costs will provide budget for the staff and any additional software that the company will need to install, configure, and deploy the 2024 project deliverables.

(Budgetary Impact: \$2,717,777.)

#### **2. Member and Provider Portal**

KHS leverages a provider and member portal as one median to communicate with its constituents. The existing portals have been in production for approximately ten (10) years, and the current software is set to expire in the next two years. Replacement software will take approximately two years to procure and deploy, and this project will include conducting an RFP and present to the Board for approval, and the preliminary set up of the software to prepare for a 2025 implementation project.

(Budgetary Impact: \$750,000.)

#### **3. Basic Population Health Management (BPHM)**

Basic Population Health Management (BPHM) is an approach to care that ensures that needed programs and services are made available to each member, regardless of their risk tier, at the right time and in the right setting. BPHM is a regulatory function of CalAIM, and the plan is responsible for ensuring that the members holistic needs are met by the primary care provider. This project will provide the clinical team with additional software to manage the BPHM population.

(Budgetary Impact: \$200,000.)

#### **4. Medicare Advantage DSNP**

KHS is required to establish a Medicare Advantage Dual Eligible Special Needs (MA DSNP) program that requires KHS to establish a new Line of Business (LOB).

Creating a new LOB requires that all systems have a separate and distinct configuration to facilitate the new members for KHS to effectively manage and

## 2024 Capital Summary

report on its new operations. Additionally, Medicare has very specific requirements that will necessitate KHS to procure additional software solutions that will meet the Centers for Medicaid and Medicare (CMS) regulatory requirements needed to operate a MA DSNP LOB.  
(Budgetary Impact: \$6,560,408.)

### 5. **Health Information Exchange Implementation (HIE)**

As part of the CalAIM roadmap, in 2023 KHS published an RFP for possible Health Information Exchange (HIE) solutions and will be implementing the software in 2024. The HIE system mobilizes healthcare data and information electronically across organizations within a region or community. Additionally, KHS has effectively utilized funding from the CalAIM Incentive Payment Program (IPP) to enhance the capabilities of Enhanced Care Management (ECM) and Community Based Organizations (CBOs) that will contribute to the HIE. This support has focused on developing their capacity and infrastructure, particularly in the areas of data collection and exchange, as part of the broader CalAIM initiatives. The HIE project will provide KHS with additional Electronic Medical Record (EMR) data that will be used for enhanced patient care, improve quality, administer population management, reduce healthcare costs, and advance reporting/analytics with additional support being provided to Kern Medical, Clinica Sierra Vista, and Omni Health who collectively serve approximately 50% of KHS  
(Budgetary Impact: \$1,900,870.)

### 6. **Artificial Intelligence (AI)**

Artificial Intelligence (AI) represents the latest major innovation in the technology sector, much like its predecessors, including the Internet, Big Data, and Information Technology. These technologies have been transformational for our global society, and AI is also making a significant impact. AI encompasses a variety of technologies and applications. In recognition of this, KHS has initiated a 2024 project to develop an Artificial Intelligence platform within our organization. This project involves creating a robust security posture, developing corporate policies, performing technology evaluations, procuring software, and implementing several processes to enhance operational efficiencies.  
(Budgetary Impact: \$2,190,846.)

### 7. **PHI Data Visibility and Security**

KHS is responsible for storing and safeguarding a substantial amount of protected health information (PHI) and personally identifiable information (PII). This data is acquired both internally, via our operational systems, and externally, from third-party sources. As our operational units evolve to become more data-driven and

## 2024 Capital Summary

oriented, there is a need to expand our business analyst roles. This expansion will require technology teams provide greater transparency about the sources and functions of the data used by these units. This project is designed to develop an improved framework to enhance efficiency in data exchanges. It will involve developing and procuring tools (such as data masking) and dashboards for better visibility of the exchanged data, conducting a third-party audit of our data security model, and increasing operational understanding of how data is utilized in systems across business units.

(Budgetary Impact: \$1,684,111.)

### **8. CBO Electronic Medical Record System**

The KHS provider network is essential for ensuring members have timely access to quality care and holistic care coordination, crucial for managing their overall health. A pivotal component for providers is an Electronic Medical Record (EMR) system. However, not all providers can afford a robust software solution, are resource-limited, or have limited access to advanced technology. This project will enable KHS to procure a hosted EMR system, integrating numerous cutting-edge technologies (e.g., real-time eligibility, authorization, full data exchange, preventive gap closure), and allow Community Based Organization (CBO) providers with limited resources, whether fiscal or human, to leverage top-tier EMR technology. This aligns the health plan's strategic goals of improving healthcare quality and efficiency.

(Budgetary Impact: \$1,152,550.)

### **9. Policy Management System**

Compliance is aiming to upgrade from a manual spreadsheet tracking system to an automated, well-structured, and transparent platform that spans the entire organization. This platform will be dedicated to managing policies and All Plan Letters (APLs). The project involves procuring specialized software and developing processes to facilitate the creation, communication, implementation, and maintenance of policy and APL versions, along with their lifecycle stages, within a comprehensive framework. These software and processes are crucial for efficiently monitoring, tracking, trending, and reporting the completion status of regulatory policies and APLs across the organization.

(Budgetary Impact: \$542,280.)

### **10. Accounting System Review**

KHS currently utilizes the Sage accounting system, supplemented by additional peripheral software, and a review of this holistic system and strategy for operational efficiencies is needed. Newer systems boast advanced features such as real-time data analysis, automation of routine tasks, and enhanced data accuracy.



## 2024 Capital Summary

These capabilities lead to more efficient accounting processes. Additionally, these modern systems can integrate seamlessly with other business platforms, offering a comprehensive view of our financial health and supporting informed decision-making. This project aims to evaluate the current accounting system, review existing processes, identify future needs and business lines, and gather recommendations. These insights will assist KHS in developing a financial system roadmap, potentially including the acquisition of new software.  
(Budgetary Impact: \$1,445,898.)

### **11. Centralized Mailroom**

In 2023, the Optical Character Recognition (OCR) services provided by Stria, LLC. came to an abrupt halt. Consequently, KHS was compelled to initiate a Disaster Recovery (DR) process for handling paper claims submitted by providers and institutions. This project has been initiated to transition away from the manual DR process. The goal is to procure and implement a new OCR system, which will provide KHS with enhanced capabilities.  
(Budgetary Impact: \$50,000.)

## **Office Furniture**

### **12. New Building Offices**

KHS will be required to furnish additional workspace to accommodate the new hires and promotions planned for 2024. This expansion will necessitate the buildout of new office space, which includes preparing architectural drawings and constructing specialty areas such as electrical, HVAC, sprinkler/alarm systems, etc. Subsequently, the acquisition of new furniture will also be necessary.  
(Budgetary Impact: \$515,000.)

### **13. Building Enhancements**

These expenses are allocated towards three key building enhancements. Firstly, the company is expanding its mailroom functions to accommodate new and larger equipment, thereby improving compliance. Secondly, additional Electric Vehicle chargers are planned to support growing employee needs and usage. Lastly, we require a larger corporate office sign to enhance visibility. This will enable our members to locate us effortlessly from highways and the surrounding vicinity.  
(Budgetary Impact: \$356,500.)

### **14. Office Furniture and Equipment**

Throughout the year, various furniture items such as copiers, chairs, desks, credenzas, standing desks, cubicle furniture, and office configuration are needed for

## 2024 Capital Summary

employees and conference rooms. This expense is allocated for these types of purchases during the 2024 calendar year.

(Budgetary Impact: \$150,000.)

### **15. New Company Vehicle**

KHS currently pays a moving company to transfer items from storage facilities to the main office and vice versa. Additionally, our passenger vehicles are used to transport items for various department events and an additional vehicle is necessary to meet these requirements.

(Budgetary Impact: \$50,000.)

## **Technology**

### **16. Services Management Software**

As our enterprise grows in complexity and employee numbers increase, the demand for efficient technical service delivery—such as Help Desk, Asset Management, Database Management, and System Outages—also increases. Currently, KHS utilizes various tools that are nearing the end of their life cycle, while others lack the necessary flexibility to be effective. This expense will be allocated towards the evaluation and procurement of tools to either augment or replace our existing service management system (ITSM) with the goals to enhance management insights, provide better service, and expand capabilities.

(Budgetary Impact: \$350,000.)

### **17. Member Demographic Enhancements**

The purpose of the member demographic software will procure and implement new data sets or software services that provide KHS with information that will provide Phone Number Verifications, National Change of Address (NCoA) Database, Census Geocoder Database, Civics and Elected Officials Database, and a Bus Lines Database. These areas will support and enhance member outreach services, member engagement, and Health Equity analytics.

(Budgetary Impact: \$189,400.)

### **18. Hardware Replacement**

As is common in the industry, technology becomes outdated rapidly. Several of our enterprise platforms, installed in the last decade, are approaching the end of their manufacturer life cycle or no longer align with our organizational needs. This capital expenditure will enable KHS to replace these outdated systems with modern, supported alternatives.

(Budgetary Impact: \$512,275.)

## 2024 Capital Summary

### **19. New and Replacement Employee Equipment**

Each year KHS procures various types of desktop equipment for employees. This equipment can be attributed to a change in role, new employee hires, or aged equipment that is no longer supported. For 2024, KHS is estimating that an additional 372 new or replacement systems and this includes the desktop computer, dual monitors, cisco telephone and associated hardware.

(Budgetary Impact: \$930,000.)

### **20. Core System Licensing**

Annually, KHS is contractually obligated to audit various operational systems for licensure. The operational systems in this category are the primary tool used for data transformations (Edifecs Smart Trading); core member and claims processing system (Cognizant QNXT); the clinical management system (ZeOmega JIVA); and the employee desktop and data center server software (Microsoft). The licensure models are either users based (per employee) or member based (Medi-Cal membership). These audits are normally based on a "True-up" process where KHS pays for new licenses in use at the end of the calendar year based on the license model.

(Budgetary Impact: \$1,685,616.)

**KERN HEALTH SYSTEMS  
TANGIBLE NET EQUITY (TNE) AND LIQUIDITY TESTS  
2024 BUDGET**

|   | <u>12/31/2022<br/>ACTUAL</u> | <u>12/31/2023<br/>ESTIMATED</u> | <u>12/31/2024<br/>BUDGET</u> |
|---|------------------------------|---------------------------------|------------------------------|
|   | \$                           | \$                              | \$                           |
| <b><u>TNE TEST</u></b>  |                              |                                 |                              |
| CAPITAL RESERVE   | \$ 318,756,311               | \$ 419,000,000                  | \$ 425,000,000               |
| CALCULATION OF MINIMUM TANGIBLE NET EQUITY (TNE) AMOUNT (1)       | \$ 50,843,144                | \$ 59,832,161                   | \$ 70,031,904                |
| CAPITAL RESERVE AS % OF TNE                                       | 626.94%                      | 700.29%                         | 606.87%                      |
| CURRENT BOARD APPROVED TNE TARGET RANGE                           | 500% - 600%                  | 500% - 600%                     | 500% - 600%                  |
| <b><u>LIQUITY TEST</u></b>  |                              |                                 |                              |
| UNRESTRICTED CASH & INVESTMENT BALANCE                            | \$ 417,116,495               | \$ 550,000,000                  | \$ 575,000,000               |
| AVERAGE MONTHLY OPERATING REVENUE                                 | \$ 83,563,830                | \$ 104,328,874                  | \$ 120,731,979               |
| CALCULATION OF CURRENT NUMBER OF MONTHS OF CASH & INVESTMENTS (2) | 4.99                         | 5.27                            | 4.76                         |
| CURRENT BOARD APPROVED MINIMUM LIQUIDITY RANGE                    | 2-3 Months                   | 2-3 Months                      | 2-3 Months                   |

(1) AMOUNT BASED ON DMHC'S CALCULATION FOR MINIMUM TNE USING ANNUAL HEALTHCARE EXPENSES

(2) AMOUNT BASED ON UNRESTRICTED CASH AND INVESTMENT BALANCES DIVIDED BY AVERAGE MONTHLY OPERATING REVENUE (EXCLUDING HOSPITAL DIRECTED PAYMENTS AND MCO TAX REVENUE)



---

## MEMORANDUM

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Richard Pruitt, Chief Information Officer  
**SUBJECT:** 2024 Corporate Project Consulting and Professional Services  
**DATE:** December 14, 2023

---

### **Background**

Over the last few years, KHS started a transformation so that the convergence of the Health Plan, Clinician (Medical & Behavioral), Member/Patient, Social Services, and Community Supports are communicating/coordinated when rendering their respective services so that holistic care is being delivered.

All of this is being accomplished by KHS through people (staff), processes, and systems as outlined by the State of California through the CalAIM initiatives: <https://www.dhcs.ca.gov/calaim#initiatives>.

Each year, the organization augments the workforce by outsourcing with consultants, thus avoiding full-time employee hires, to accommodate the temporary resource demands of the organizational projects.

### **Discussion**

KHS published a RFQ to engage various consulting companies to provide the organization with Professional Resources for labor needed to complete the 2024 Corporate Portfolio.

### **Financial Impact**

Operating and Capital expenses for a one (1) year term with various consulting companies not to exceed \$23,890,000.

### **Requested Action**

Authorize the CEO to approve contracts associated to procure Professional Resources with various consulting companies in the amount not to exceed \$23,890,000 in operating and capital expenses associated for labor needed to support and complete the 2024 Corporate Portfolio.

# 2024 Project Consulting Professional Services December 14, 2023

Richard M. Pruitt  
Chief Information Officer



# Agenda

- General Overview
- State of Affairs
- Sequence of Events
- 2023/2024 Corporate Portfolio
- Benefits of Outsourcing
- 2024 Resource Planning
- Historical and Anticipated Expenditures
- Board of Directors Request



# General Overview

KHS is in the middle of an operational transformation where the convergence of the Health Plan, Clinician (Medical & Behavioral), Member, Social Services, and Community Supports are coordinated when rendering their respective services so that holistic care is being provided.

This is being accomplished through people, processes, and systems as outlined by the State of California through the CalAIM initiatives (<https://www.dhcs.ca.gov/calaim#initiatives>).

To accommodate the temporary resource demands of the organizational projects associated with this transformation, the organization augments its workforce through outsourcing using consultants to reduce full-time hires and obtain resources not locally available.





# State of Affairs

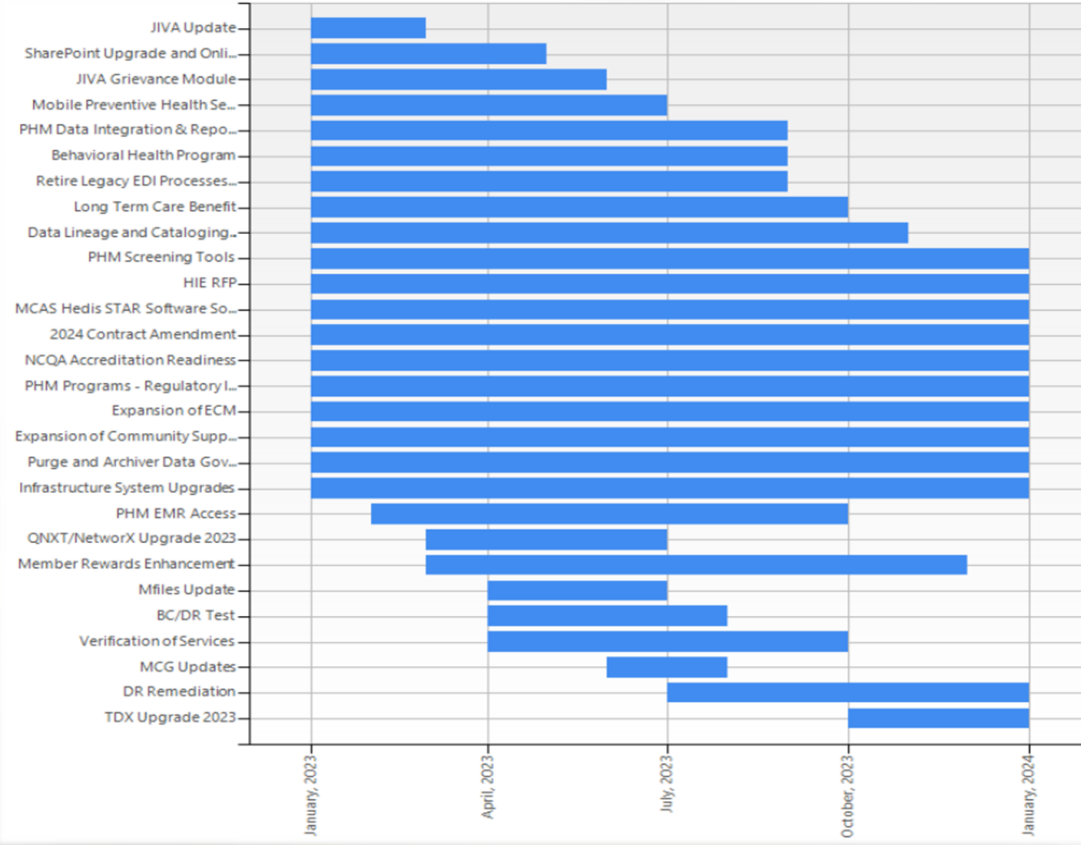


# Sequence of Events

- Develop Corporate Strategic Plan / Corporate Goals & Objectives
- Design the Annual Project Portfolio with Leadership
- Perform Scope and Resource Planning for Annual Project Portfolio
- Executive Approval of Annual Corporate Project Portfolio
- Annual Budget Process for KHS
- Request for Quote for Consulting Resources
- Create Recommendation for the Board of Directors



# 2023 Corporate Portfolio



# 2024 Corporate Portfolio

| Portfolio                     | Project Name  | 2024 |     |     |     |     |     |     |     |     |     |     |     |
|-------------------------------|---|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                               |   | Jan  | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Enterprise                    | 2024 DHCS Contract (Part 2)                               |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Accounting System Review                                  |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | CEO Initiatives   |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Crisis Management Plans Consolidation                     |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | HR Data Storage Solution                                  |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Member and Provider Portal 2.0                            |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Member Engagement   |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | NCCQA Accreditation Readiness - 2024 (Part 2)             |      |     |     |     |     |     |     |     |     |     |     |     |
| Health Services               | Policy and APL Management Platform                        |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | 2024 Screening Tools                                      |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Basic Population Health Management (BPHM) (Part 2)        |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Behavioral Health Program (Part 2)                        |      |     |     |     |     |     |     |     |     |     |     |     |
| Medicare                      | Enhanced Care Management Expansion (Part 3)               |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Expansion of Community Supports (CSS 2024 Part 3)         |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | PHM Transition of Care Services                           |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | MA D-SNP Appeals Module Implementation                    |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | MA D-SNP Care Management Operational Readiness            |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | MA D-SNP MCAS HEDIS Implementation                        |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | MA D-SNP Medicare Enrollment, Billing and Eligibility RFP |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | MA D-SNP Model of Care (MOC)                              |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | MA D-SNP Operational Readiness                            |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | MA D-SNP Part D Pharmacy Readiness                        |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | MA D-SNP Pharmacy Benefit Manager (PBM) RFP and Analysis  |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | MA D-SNP Quality Program                                  |      |     |     |     |     |     |     |     |     |     |     |     |
| Operational Support           | MA D-SNP Star Solution and Business Process               |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | MA D-SNP UM Operational Readiness                         |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Artificial Intelligence (AI) Transformation               |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Business Process Improvements                             |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Center of Excellence - Service Delivery                   |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Cisco Call Manager Cloud Solution Evaluation              |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Cybersecurity Enhancements                                |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Data Governance Audit Roadmap                             |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Data Masking and Data Encryption                          |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Disaster Recovery and Remediation                         |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Enterprise Data Exchange Services (Technical Monitoring)  |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Expand Data Cataloging                                    |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Health Information Exchange Implementation                |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | JIVA Update 2024  |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | Member Demographic Enhancements                           |      |     |     |     |     |     |     |     |     |     |     |     |
|                               | ODS to EDW Migration 2024                                 |      |     |     |     |     |     |     |     |     |     |     |     |
| PowerBI Dashboard Migration   |   |      |     |     |     |     |     |     |     |     |     |     |     |
| QNX/TT/NetworX/CES/WF Upgrade |   |      |     |     |     |     |     |     |     |     |     |     |     |
| TDX Upgrade 2024              |   |      |     |     |     |     |     |     |     |     |     |     |     |
| Technology Platform Upgrades  |   |      |     |     |     |     |     |     |     |     |     |     |     |

\*Appendix A attached with complete Portfolio Project List



# Benefits of Outsourcing

Achieve Project Success with Optimal Staffing

Staffing Flexibility to Accommodate Temporary Project Load

Obtain Resources Not Easily Available Locally

Secure Talent for Project-Specific Needs

Reduce Long Term Administrative Costs



# 2024 Resource Planning

| Kern Health Systems Portfolio Summary |   |          |      | Governed Reporting System |         |     |     |                               |                  |          |                          |                  |               |                        |           |       |       |       |   |                |               |               |                      |                  |  |  |       |
|---------------------------------------|---|----------|------|---------------------------|---------|-----|-----|-------------------------------|------------------|----------|--------------------------|------------------|---------------|------------------------|-----------|-------|-------|-------|---|----------------|---------------|---------------|----------------------|------------------|--|--|-------|
| Portfolio Project Hours for 2024      |   |          |      | Business Intelligence     |         |     |     | Cyber Security & Architecture |                  |          | Enterprise Configuration |                  |               | Enterprise Development |           |       |       |       | Project Management Office                 |                |               |               | Technical Operations |                  |  |  | LABOR |
| Item No.                              | Department  | Category | Type | BI - DA                   | BI - DS | BIA | PIA | Architect - Application       | Architect - Data | Security | Config - JIVA            | Config - Network | Config - QNXT | DBA - DEV              | DBA - OPS | Dev   | EDI   | EDV   | Project Management Office Project Manager | HD (Help Desk) | OPS - Network | OPS - Systems | OPS - Tel            | TOTAL TECH HOURS |  |  |       |
| 1                                     | 2024 DHCS Contract (Part 2)                                   |          |      | 360                       | 480     | 240 |     |                               |                  |          | 1,150                    | 230              |               | 1,200                  | 100       |       |       |       | 1,440                                     |                |               |               |                      | 6,531            |  |  |       |
| 2                                     | Accounting System Review                                      |          |      | 160                       | 200     | 150 |     |                               |                  |          | 400                      |                  | 400           | 1,200                  |           |       |       |       | 720                                       |                | 20            | 25            | 120                  | 1,917            |  |  |       |
| 3                                     | CEO Initiatives   |          |      | 533                       | 533     | 533 |     | 40                            | 40               | 40       | 120                      |                  |               | 1,200                  |           |       |       |       | 1,440                                     |                | 30            | 30            | 120                  | 6,362            |  |  |       |
| 4                                     | Crisis Management Plans                                       |          |      | 30                        | 30      | 30  | 30  | 30                            | 30               | 30       | 30                       |                  | 30            | 30                     |           |       |       |       | 300                                       |                |               |               |                      | 304              |  |  |       |
| 5                                     | HPI Data Storage Solution                                     |          |      | 200                       | 140     | 100 |     | 30                            | 30               |          |                          |                  |               | 30                     |           |       |       |       | 720                                       |                |               |               |                      | 1,917            |  |  |       |
| 6                                     | Member and Provider Portal 2.0                                |          |      | 230                       | 160     | 60  |     | 100                           | 20               | 20       | 210                      |                  |               | 200                    |           |       |       |       | 720                                       |                | 60            | 119           | 140                  | 3,525            |  |  |       |
| 7                                     | Member Engagement   |          |      | 1,000                     | 1,600   | 480 |     |                               |                  |          | 960                      |                  |               | 1,800                  |           |       |       |       | 1,800                                     |                | 50            | 40            | 200                  | 11,797           |  |  |       |
| 8                                     | NCQA Accreditation Readiness - 2024 (Part 2)                  |          |      | 165                       |         | 505 |     |                               |                  | 60       | 120                      |                  |               |                        |           |       |       |       | 3,840                                     |                |               |               |                      | 4,638            |  |  |       |
| 9                                     | Policy and APL Management Platform                            |          |      | 150                       |         |     |     | 100                           | 30               | 30       |                          |                  |               |                        |           |       |       |       | 320                                       | 15             | 50            | 70            | 304                  |                  |  |  |       |
| 10                                    | 2024 Screening Tools  |          |      | 240                       | 250     | 40  |     |                               |                  |          | 375                      | 30               | 90            | 525                    | 50        |       |       |       | 720                                       |                |               |               |                      | 2,560            |  |  |       |
| 11                                    | Basic Population Health Management (BPHM) (Part 2)            |          |      | 1,425                     | 650     | 680 | 145 |                               | 40               |          | 685                      | 270              | 300           | 360                    |           |       |       |       | 1,820                                     |                |               |               |                      | 7,571            |  |  |       |
| 12                                    | Behavioral Health Program (Part 2)                            |          |      |                           |         |     |     |                               |                  |          | 710                      | 45               | 45            | 960                    |           | 120   | 480   | 480   | 1,200                                     | 60             |               | 60            |                      | 4,172            |  |  |       |
| 13                                    | Enhanced Care Management Expansion (Part 3)                   |          |      | 217                       | 200     | 200 | 50  |                               |                  |          | 1,200                    | 310              | 310           | 1,800                  |           | 210   | 960   | 960   |   |                |               | 303           | 6,733                |                  |  |  |       |
| 14                                    | Expansion of Community Supports (CSS 2024 Part 3)             |          |      | 180                       |         | 90  | 140 |                               |                  |          | 935                      | 125              | 145           | 1,440                  |           | 120   | 960   | 720   | 960                                       |                |               |               | 70                   | 5,899            |  |  |       |
| 15                                    | PHM: Transition of Care                                       |          |      | 720                       | 180     | 80  |     | 40                            | 40               |          | 480                      |                  | 20            | 320                    |           | 160   | 160   |       | 720                                       |                |               |               | 80                   | 3,085            |  |  |       |
| 16                                    | MA D-SNP Appeals Module Implementation                        |          |      |                           |         |     |     |                               |                  | 19.98    | 900                      |                  | 200           | 1,800.02               | 400       | 400   | 900   | 400   | 1,080                                     |                | 19.98         |               | 100                  | 6,737            |  |  |       |
| 17                                    | MA D-SNP Care Management Operational Readiness Implementation |          |      | 200                       | 200     | 100 |     |                               |                  |          |                          |                  |               | 80                     | 60        |       | 80    | 120   | 500                                       |                |               | 80            | 1,858                |                  |  |  |       |
| 18                                    | MA D-SNP MCAS HEDIS Implementation                            |          |      | 400                       | 240     | 200 |     |                               |                  |          |                          |                  |               |                        |           |       |       |       | 200                                       |                | 20            |               |                      | 289              |  |  |       |
| 19                                    | MA D-SNP Medicare Enrollment, Billing and Eligibility         |          |      |                           |         | 100 |     |                               |                  |          | 1,800                    | 800              | 800           | 2,600                  | 1,800     | 2,600 | 2,600 | 2,600 | 2,080                                     |                |               | 100           |                      | 12,868           |  |  |       |
| 20                                    | MA D-SNP Model of Care  |          |      |                           |         |     |     |                               |                  |          |                          |                  |               |                        |           |       |       |       | 500                                       |                |               |               |                      | 449              |  |  |       |
| 21                                    | MA D-SNP Operational  |          |      | 90                        |         | 180 |     |                               |                  |          |                          |                  |               |                        |           |       |       |       | 167                                       |                |               |               | 40                   | 1,764            |  |  |       |
| 22                                    | MA D-SNP Part D Pharmacy Readiness                            |          |      | 75                        |         | 150 |     |                               |                  |          |                          |                  |               |                        |           |       |       |       | 400                                       |                |               |               | 50                   | 3,575            |  |  |       |
| 23                                    | MA D-SNP Pharmacy Benefit Manager (PBM) RFP and               |          |      | 600                       |         | 200 |     |                               |                  |          |                          |                  |               | 800                    | 200       |       | 400   | 400   | 500                                       |                |               |               |                      |                  |  |  |       |
| 24                                    | MA D-SNP Quality Program                                      |          |      | 800                       |         | 400 |     |                               |                  |          |                          |                  |               |                        |           |       |       |       |   |                |               |               |                      |                  |  |  |       |
| 25                                    | MA D-SNP Star Solution and Business Process                   |          |      |                           |         |     |     |                               |                  |          |                          |                  |               |                        |           |       |       |       |   |                |               |               |                      |                  |  |  |       |

\*Appendix A attached with complete Portfolio Project List

|   | Business Intelligence |            |            |            | Cyber Security & Architecture |                  |            | Enterprise Configuration |                  |               | Enterprise Development |            |            |            |            | Project Management Office | Technical Operations |               |               |            | LABOR       |
|---|-----------------------|------------|------------|------------|-------------------------------|------------------|------------|--------------------------|------------------|---------------|------------------------|------------|------------|------------|------------|---------------------------|----------------------|---------------|---------------|------------|-------------|
|   | BI - DA               | BI - DS    | BIA        | PIA        | Architect - Application       | Architect - Data | Security   | Config - JIVA            | Config - Network | Config - QNXT | DBA - DEV              | DBA - OPS  | Dev        | EDI        | EDV        | Project Manager           | HD (Help Desk)       | OPS - Network | OPS - Systems | OPS - Tel  | TOTAL TECH  |
| Total Demand (Hours)                        | 21,061                | 11,670     | 15,688     | 702        | 1,115                         | 3,221            | 4,390      | 16,530                   | 3,703            | 10,192        | 22,905                 | 10,592     | 16,177     | 17,412     | 5,660      | 32,295                    | 9,962                | 3,146         | 16,053        | 3,198      | 225,678     |
| Resource Demand (Employee)                  | 12.0                  | 7.0        | 9.0        | 1.0        | 1.0                           | 2.0              | 3.0        | 9.0                      | 2.0              | 6.0           | 13.0                   | 6.0        | 9.0        | 10.0       | 3.0        | 17.0                      | 6.0                  | 2.0           | 9.0           | 2.0        | 123.0       |
| Staff                                       | 7.0                   | 2.0        | 7.0        | -          | 1.0                           | 1.0              | 2.0        | 3.0                      | -                | 4.0           | 5.0                    | 3.0        | 5.0        | 4.0        | -          | 9.0                       | 6.0                  | 1.0           | 7.0           | 1.0        | 68.0        |
| Administrative Need                         | 1.0                   | -          | -          | -          | 3.0                           | -                | -          | -                        | -                | -             | -                      | -          | -          | -          | -          | 11.0                      | -                    | -             | -             | -          | 15.0        |
| Variance                                    | (6.0)                 | (5.0)      | (2.0)      | (1.0)      | (3.0)                         | (1.0)            | (1.0)      | (6.0)                    | (2.0)            | (2.0)         | (8.0)                  | (3.0)      | (4.0)      | (6.0)      | (3.0)      | (19.0)                    | -                    | (1.0)         | (2.0)         | (1.0)      | (76.0)      |
| <b>2024 CONSULTING REQUEST (ROUNDED UP)</b> | <b>6.0</b>            | <b>5.0</b> | <b>2.0</b> | <b>1.0</b> | <b>3.0</b>                    | <b>1.0</b>       | <b>1.0</b> | <b>6.0</b>               | <b>2.0</b>       | <b>2.0</b>    | <b>8.0</b>             | <b>3.0</b> | <b>4.0</b> | <b>6.0</b> | <b>3.0</b> | <b>19.0</b>               | <b>0.0</b>           | <b>1.0</b>    | <b>2.0</b>    | <b>1.0</b> | <b>76.0</b> |



# Historical and Anticipated Expenditures

| 2022                           | PROJECTS | RESOURCES | REQUESTED           | ACTUAL             | VARIANCE           |
|--------------------------------|----------|-----------|---------------------|--------------------|--------------------|
| Management Information Systems | 28       | 35        | \$9,178,190         | \$5,827,772        | \$3,350,418        |
| Project Management             |          | 5         | \$1,096,000         | \$507,505          | \$588,495          |
| DSNP                           |          | 1         | \$95,000            | \$81,648           | \$13,352           |
| <b>TOTAL:</b>                  |          | <b>41</b> | <b>\$10,369,190</b> | <b>\$6,416,925</b> | <b>\$3,952,265</b> |

| 2023*                          | PROJECTS | RESOURCES | REQUESTED           | PROJECTED           | VARIANCE           |
|--------------------------------|----------|-----------|---------------------|---------------------|--------------------|
| Management Information Systems | 30       | 29        | \$7,365,693         | \$6,882,931         | \$482,762          |
| Project Management             |          | 5         | \$1,185,600         | \$1,781,734         | (\$596,134)        |
| DSNP                           |          | 21        | \$6,515,185         | \$4,647,906         | \$1,867,279        |
| <b>TOTAL:</b>                  |          | <b>55</b> | <b>\$15,066,478</b> | <b>\$13,312,571</b> | <b>\$1,753,907</b> |

\* Actual as of end of September and variance forecasted out to end of year.

| 2024 (REQUEST)                 | PROJECTS | RESOURCES | REQUESTED           |
|--------------------------------|----------|-----------|---------------------|
| Management Information Systems | 44       | 32        | \$6,800,000         |
| Project Management             |          | 17        | \$4,900,000         |
| DSNP                           |          | 26        | \$11,840,000        |
| NCQA                           |          | 1         | \$350,000           |
| <b>TOTAL:</b>                  |          | <b>76</b> | <b>\$23,890,000</b> |



# Board of Directors Request

Authorize the CEO to approve contracts associated to procure Professional Resources with various consulting companies in the amount not to exceed \$23,890,000 in operating and capital expenses associated for labor needed to support and complete the 2024 Corporate Portfolio.





# You + Us = a better day!

## Questions

Please contact:

Richard M. Pruitt  
Chief Information Officer  
661-664-5078  
[richard.pruitt@khs-net.com](mailto:richard.pruitt@khs-net.com)



## APPENDIX A



### Kern Health Systems Portfolio Summary Portfolio Projects for 2024

| Item No. | Project   |
|----------|---|
| 1        | 2024 DHCS Contract (Part 2)                               |
| 2        | Accounting System Review                                  |
| 3        | CEO Initiatives   |
| 4        | Crisis Management Plans Consolidation                     |
| 5        | HR Data Storage Solution                                  |
| 6        | Member and Provider Portal 2.0                            |
| 7        | Member Engagement   |
| 8        | NCQA Accreditation Readiness - 2024 (Part 2)              |
| 9        | Policy and APL Management Platform                        |
| 10       | 2024 Screening Tools                                      |
| 11       | Basic Population Health Management (BPHM) (Part 2)        |
| 12       | Behavioral Health Program (Part 2)                        |
| 13       | Enhanced Care Management Expansion (Part 3)               |
| 14       | Expansion of Community Supports (CSS 2024 Part 3)         |
| 15       | PHM: Transition of Care Services                          |
| 16       | MA D-SNP Appeals Module Implementation                    |
| 17       | MA D-SNP Care Management Operational Readiness            |
| 18       | MA D-SNP MCAS HEDIS Implementation                        |
| 19       | MA D-SNP Medicare Enrollment, Billing and Eligibility RFP |
| 20       | MA D-SNP Model of Care (MOC)                              |
| 21       | MA D-SNP Operational Readiness                            |
| 22       | MA D-SNP Part D Pharmacy Readiness                        |
| 23       | MA D-SNP Pharmacy Benefit Manager (PBM) RFP and Analysis  |
| 24       | MA D-SNP Quality Program                                  |
| 25       | MA D-SNP Star Solution and Business Process               |
| 26       | MA D-SNP UM Operational Readiness                         |
| 27       | Artificial Intelligence (AI) Transformation               |
| 28       | Business Process Improvements                             |
| 29       | Center of Excellence - Service Delivery                   |
| 30       | Cisco Call Manager Cloud Solution Evaluation              |
| 31       | Cybersecurity Enhancements                                |
| 32       | Data Governance Audit Roadmap                             |
| 33       | Data Masking and Data Encryption                          |
| 34       | Disaster Recovery and Remediation                         |
| 35       | Enterprise Data Exchange Services (Technical Monitoring)  |
| 36       | Expand Data Cataloging                                    |
| 37       | Health Information Exchange Implementation                |
| 38       | JIVA Update 2024  |
| 39       | Member Demographic Enhancements                           |
| 40       | ODS to EDW Migration 2024                                 |
| 41       | PowerBI Dashboard Migration                               |
| 42       | QNXT/NetworX/CES/WF Upgrade                               |
| 43       | TDX Upgrade 2024  |
| 44       | Technology Platform Upgrades                              |



---

## MEMORANDUM

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Richard Pruitt, Chief Information Officer  
**SUBJECT:** Health Information Exchange  
**DATE:** December 14, 2023

---

### **Background**

On July 27, 2021, California Governor Gavin Newsom signed [AB 133](#), a transformative healthcare bill. This legislation expands Medi-Cal eligibility, boosts behavioral health initiatives, and mandates data sharing among providers and health plans by 2024. In October 2021, the California Health & Human Services Agency (CalHHS) established the Center for Data Insights and Innovation (CDII) to govern California's Data Exchange Framework. AB 133 requires most healthcare providers to begin data sharing by January 2024, with a data sharing agreement signed by January 2023. Specific entities, like acute care hospitals and skilled nursing facilities, must sign a statewide data sharing agreement by January 31, 2023, and implement real-time, statewide data sharing by January 31, 2024. Other facilities, including small physician practices and rehabilitation hospitals, have until January 31, 2026. Connecting a health plan to a Health Information Exchange (HIE) aligns with these mandates, ensuring access to complete medical histories, improving care, reducing unnecessary testing, and enhancing coordination. This not only saves costs but also increases patient engagement and satisfaction. In addition, KHS will assist the Safety Net by providing additional Professional Services in establishing a robust data architecture for the data exchange with the HIE and direct with KHS.

### **Discussion**

KHS will engage Manifest MedEx to provide Health Information Exchange (HIE) services for the Provider Network for a three (3) year term. In addition, KHS will provide Technical Professional Services for a one (1) year term for the Safety Net providers to establish Data Exchange.

**Financial Impact**

Cost for a three (3) year term to Manifest MedEx and a (1) year term for Safety Net Technical Professional Services not to exceed \$2,300,000 in budgeted expenses.

**Requested Action**

Approve; Authorize Chief Executive Officer to Sign..

# Health Information Exchange (HIE)

Richard M. Pruitt  
Chief Information Officer (CIO)  
December 14, 2023



# Agenda

- Overview
- Sequence of Events
- System Overview
- Project Scope
- Data Volumes
- Safety Net Assistance
- HIE RFP Selection
- Board Request



# Overview

On July 27, 2021, California Governor Gavin Newsom signed [AB 133](#), a transformative healthcare bill. This legislation expands Medi-Cal eligibility, boosts behavioral health initiatives, and mandates data sharing among providers and health plans by 2024. In October 2021, the California Health & Human Services Agency (CalHHS) established the Center for Data Insights and Innovation (CDII) to govern California's Data Exchange Framework. AB 133 requires most healthcare providers to begin data sharing by January 2024, with a data sharing agreement signed by January 2023. Specific entities, like acute care hospitals and skilled nursing facilities, must sign a statewide data sharing agreement by January 31, 2023, and implement real-time, statewide data sharing by January 31, 2024. Other facilities, including small physician practices and rehabilitation hospitals, have until January 31, 2026. Connecting a health plan to a Health Information Exchange (HIE) aligns with these mandates, ensuring access to complete medical histories, improving care, reducing unnecessary testing, and enhancing coordination. This not only saves costs but also increases patient engagement and satisfaction. In addition, KHS will assist the Safety Net by providing additional Technical Professional Services in establishing a robust data architecture for the data exchange with the HIE and direct with KHS.



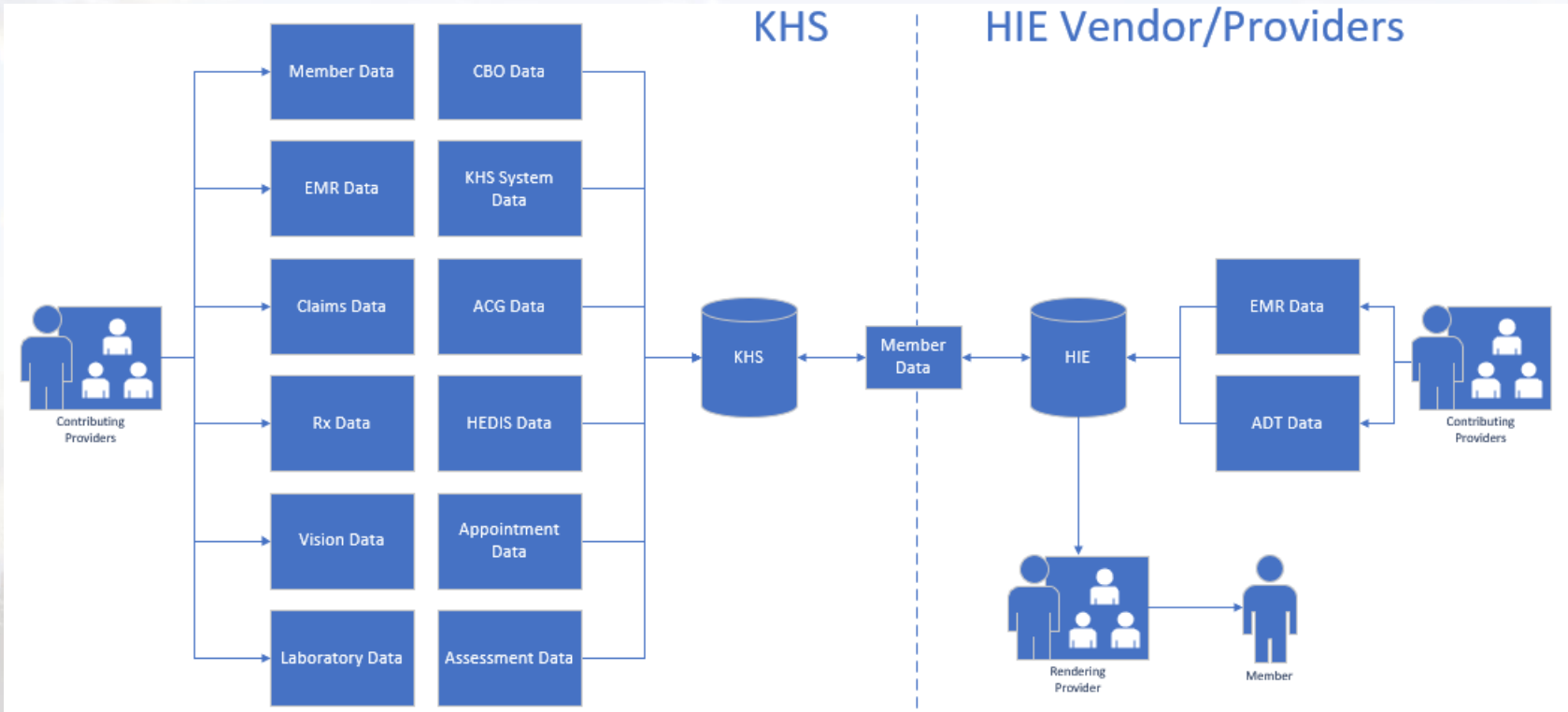
# Sequence of Events

- July 2021 – Assembly Bill (AB) 133 Passed
- October 2021 – CalHHS Creates Center for Data Insights and Innovation (CDII)
- November 2021 – CDII Establishes Stakeholder Advisory Group
- July 2022 – Data Exchange Framework (DxF) Published
- December 2022 – KHS Budgets to Procure HIE in Q4
- January 2023 – KHS Signs the Data Exchange Framework (DxF)
- October 2023 – Management Publishes RFP
- November 2023 – Management Provides HIE Recommendation
- December 2023 – Review for Board Approval





# System Overview



# System Overview



# Project Scope

- Q4 2023 - Established as 2024 Corporate Project
- Q1 2024 - Finalize Vendor Contracting
- Q1 2024 – Implementation (Data Exchange)
- Q1 2024 – Testing
- Q2 2024 - Go Live
- Q2 2024 – Begin Soliciting Providers to Join HIE at HIE Expense



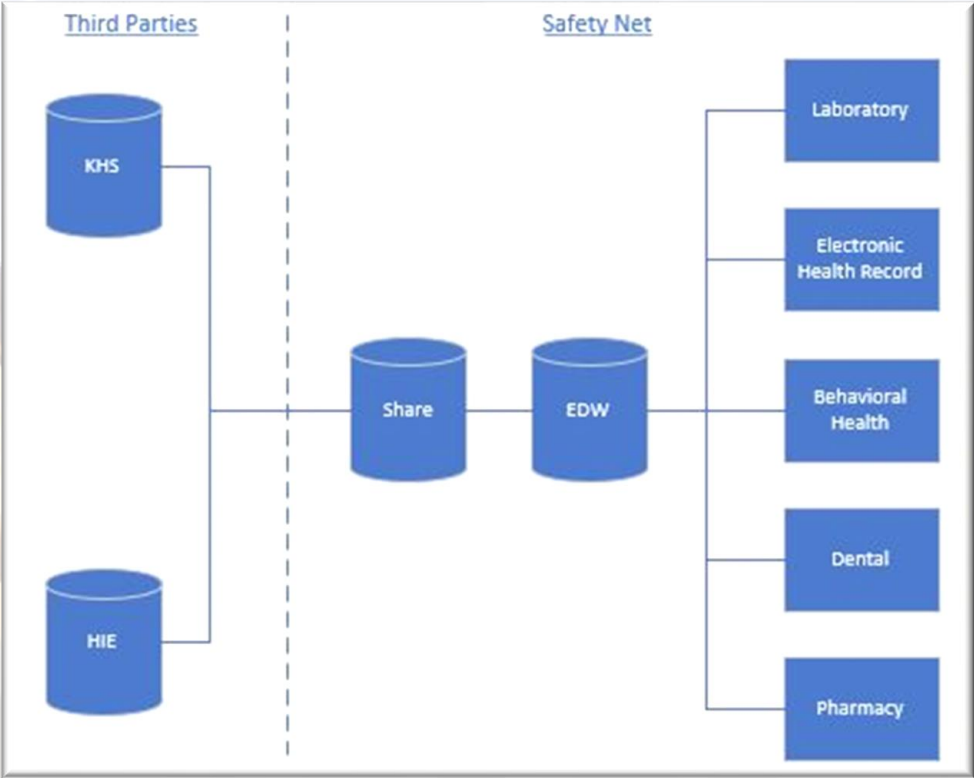
# Data Volumes

| Records/Transactions (Volume of Records) |  | Estimated           | Year      |           |              |
|--|--|---------------------|-----------|-----------|--------------|
| Source                                   | Type   | Percentage Complete | 2022      | 2023 YTD  | Last 2 Years |
| LAB                                      | Labortary Results for KHS Members            | 72%                 | 7,690,089 | 7,032,724 | 14,722,813   |
| HEDIS MEMBER MEASURE COMBINATION         | Gaps in Care                                 | 100%                | 6,429,391 | 6,110,790 | 12,540,181   |
| PHARMACY                                 | State Rx                                     | 100%                | 4,576,897 | 4,396,610 | 8,973,507    |
| QNXT CLAIMS                              | KHS Provider Network Medical Claims          | 100%                | 3,750,908 | 3,951,856 | 7,702,764    |
| ACG                                      | Risk Data, Predictive Modeling               | 100%                | 4,015,834 | 3,672,586 | 7,688,420    |
| CALL TRACKING                            | KHS Member and Provider Calls                | 100%                | 1,087,070 | 1,571,646 | 2,658,716    |
| EMR                                      | CSV, KM, Omni EMR Data on KHS Members        | 57%                 | 1,053,124 | 1,595,396 | 2,648,520    |
| STATE MEDICAL ENCOUNTERS                 | Additional State Data on Members             | 100%                | 1,135,735 | 751,858   | 1,887,593    |
| APPOINTMENTS                             | Member Future Appointments for CSV, Omni, KM | 57%                 | 49,458    | 924,793   | 974,251      |
| TRANSPORTATION                           | Member Transportation Events                 | 100%                | 365,174   | 443,991   | 809,165      |
| JIVA REFERRALS                           | Member Authorizations Submitted by Providers | 100%                | 346,312   | 364,160   | 710,472      |
| CAIR IMMUNIZATION                        | State Immunization Registry                  | 100%                | 350,521   | 213,429   | 563,950      |
| STATE DENTAL ENCOUNTERS                  | State Data on Member Dental Visits           | 100%                | 213,790   | 175,020   | 388,810      |
| VISION                                   | Member Vision Data                           | 100%                | 91,037    | 93,804    | 184,841      |
| ASSESSMENTS                              | Member Assesments by Provider/Member         | 20%                 | 97,657    | 76,902    | 174,559      |
| HRAs                                     | Member Health Risk Assessments               | 4%                  | 17,084    | 15,010    | 32,094       |
| NURSE RESPONSE                           | Member Calls to 24 Hour Nurse Hotline        | 100%                | 6,431     | 4,643     | 11,074       |
| CSS                                      | Community Supports Member Data               | 100%                | 1,048     | 3,777     | 4,825        |



# Safety Net Assistance

- Technical Assistance in Architecture and Design
- Technical assistance in the form of Professional Services.
- Approximately Four (4) Resources for 2024



# HIE RFP Selection

| Vendor   | Product | Market | Company | Reference | Price | Total |
|----------|---------|--------|---------|-----------|-------|-------|
| Vendor 1 | 5       | 5      | 5       | 5         | 5     | 25    |
| Vendor 2 | 4       | 3      | 5       | 5         | 1     | 18    |



# Board of Directors Request

Authorize the CEO to sign a three (3) year contract with Manifest Medex for the implementation and subscription to the Health Information Exchange and to enter into a one (1) year agreement for other Technical Professional Services in support of the Safety Net providers for a total amount not to exceed \$2,300,000.



# You + Us = a better day!

## Questions

Please contact:

Richard M. Pruitt  
Chief Information Officer  
661-664-5078  
[richard.pruitt@khs-net.com](mailto:richard.pruitt@khs-net.com)







---

## MEMORANDUM

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Jake Hall, Senior Director of Contracting and Quality Performance  
**SUBJECT:** Health Effectiveness Data and Information Set (HEDIS)  
**DATE:** December 14, 2023

---

### **Background**

In California, Managed Care Health Plans are required to have a certified HEDIS (Health Effectiveness Data and Information Set) software primarily for standardized quality measurements that are reported annually to the State of California. HEDIS, a comprehensive set of performance metrics developed by the National Committee for Quality Assurance (NCQA), is essential for assessing various aspects of healthcare, such as preventive care and treatment effectiveness. This software enables health plans to systematically collect, analyze, and report data on these metrics. Annually, the software, processes, and policies are reviewed by NCQA/HSAG to verify the accuracy of the KHS HEDIS results. Additionally, the State publishes all the health plans HEDIS results to enhance transparency, aiding consumers in making informed decisions, and driving health plans to continuously improve their services. Overall, HEDIS software is vital for health plans to meet regulatory requirements, ensure quality care, and maintain competitiveness in California's healthcare market.

### **Discussion**

Cotiviti will provide KHS with the HEDIS (Health Effectiveness Data and Information Set) software for a three (3) year term.

### **Financial Impact**

Cost for a three (3) year term not to exceed \$2,079,724 in budgeted expenses.

### **Requested Action**

Approve; Authorize Chief Executive Officer to Sign.

# Health Effectiveness Data and Information Set (HEDIS)

Jake Hall

Senior Director of Contracting and Quality Performance

December 14, 2023



# Agenda

- Overview
- Sequence of Events
- Data Inventory and Integration
- Software Functionality
- Metrics Dashboard
- Bid/Selection Matrix
- Board Request

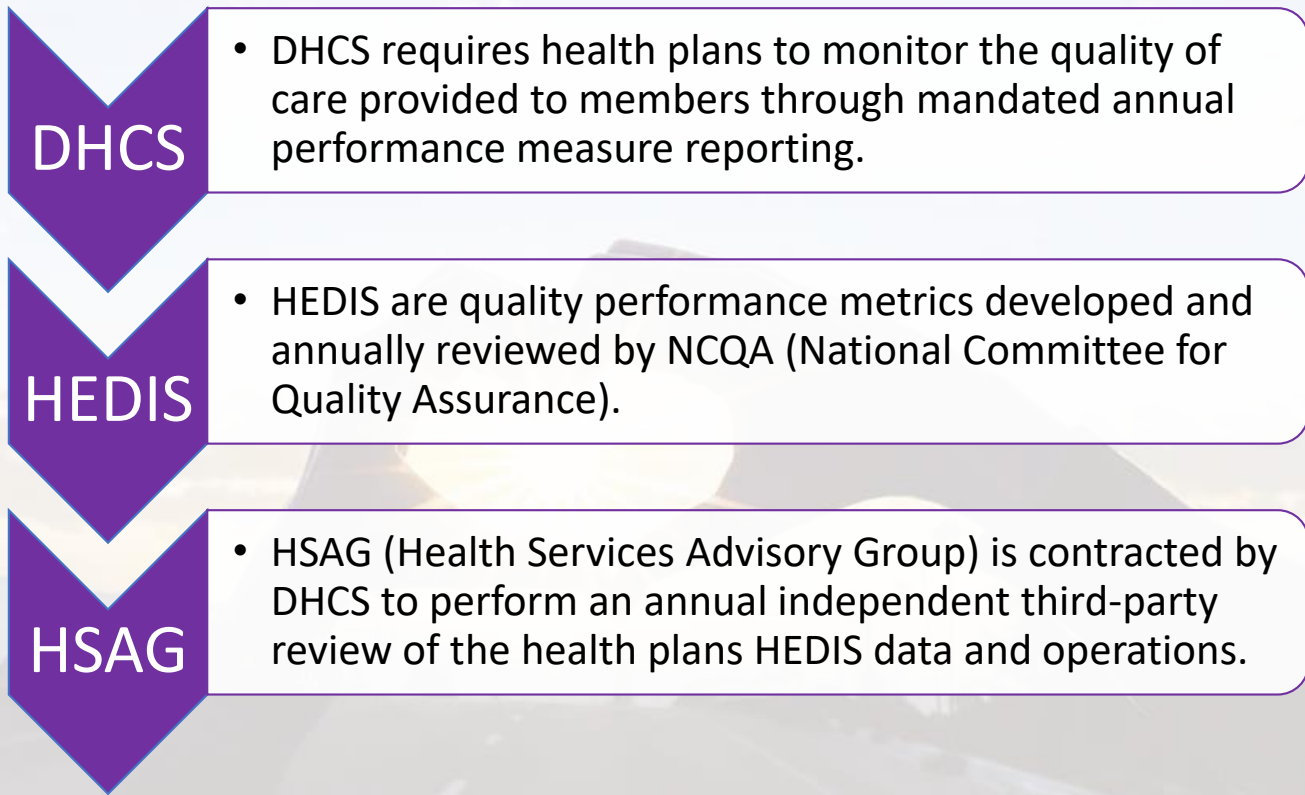


# Overview

In California, Managed Care Health Plans are required to have a certified HEDIS (Health Effectiveness Data and Information Set) software primarily for standardized quality measurements that are reported annually to the State of California. HEDIS, a comprehensive set of performance metrics developed by the National Committee for Quality Assurance (NCQA), is essential for assessing various aspects of healthcare, such as preventive care and treatment effectiveness. This software enables health plans to systematically collect, analyze, and report data on these metrics. Annually, the software, processes, and policies are reviewed by NCQA/HSAG to verify the accuracy of the KHS HEDIS results. Additionally, the State publishes all the health plans HEDIS results to enhance transparency, aiding consumers in making informed decisions, and driving health plans to continuously improve their services. Overall, HEDIS software is vital for health plans to meet regulatory requirements, ensure quality care, and maintain competitiveness in California's healthcare market.



# Overview



# Sequence of Events

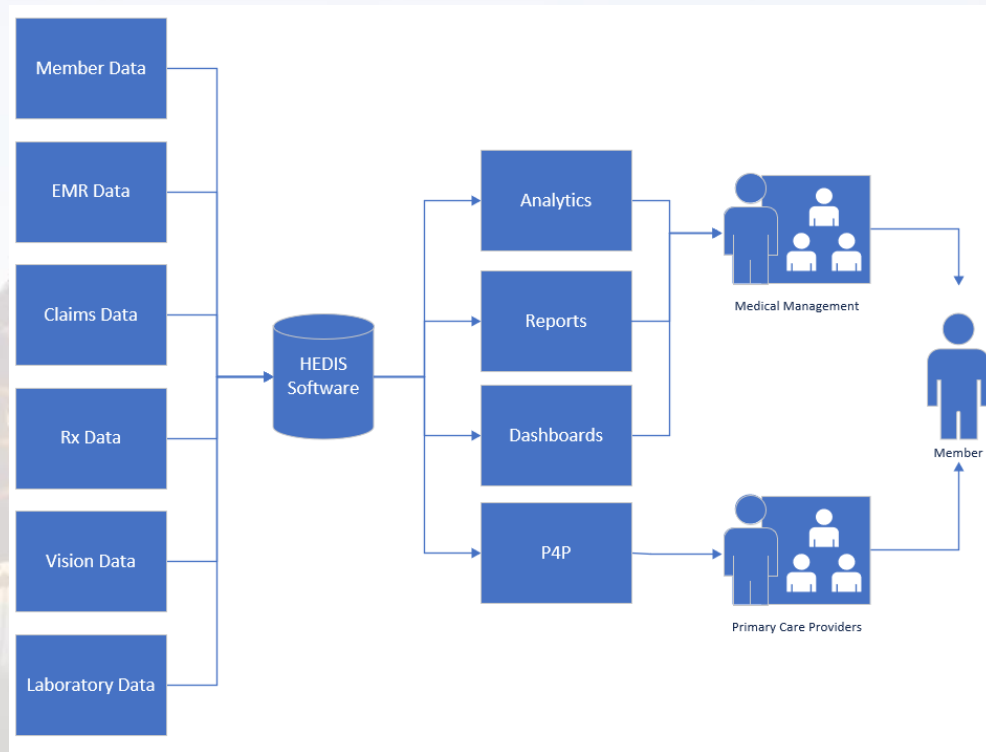
- December 2022 KHS Budgets for 2023 HEDIS Software Procurement
- October 2023 KHS Publishes RFP
- November 2023 HEDIS Selection Committee Performs RFP Analysis
- November 2023 KHS Contracts Committee Reviews Recommendation
- December 2023 HEDIS Committee Presents to KHS Board of Directors



# Data Inventory and Integration

KHS current data inventory and integration into the HEDIS Software:

- Eligibility, Claims & Clinical Data is integrated into the HEDIS Software that runs its various algorithms that calculates eligible members, qualifying visits for measure quality performance scoring.



# Software Functionality

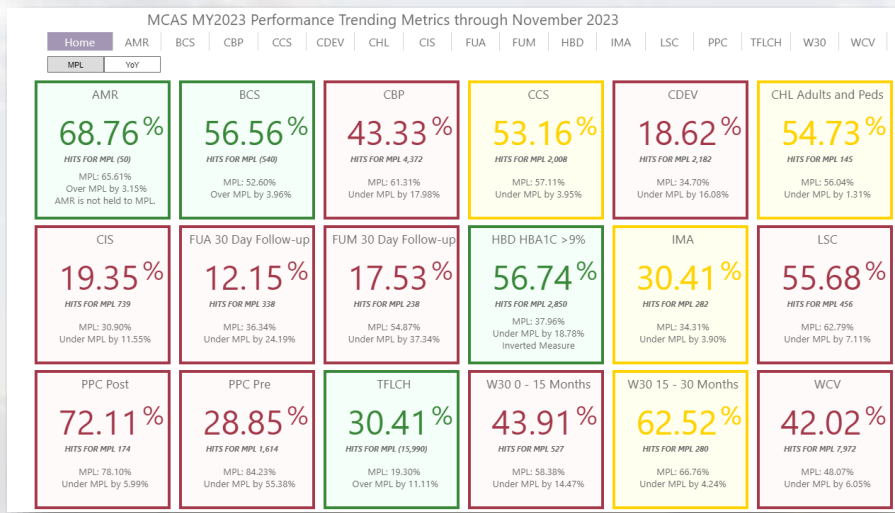
The selected vendor is a NCQA certified software that supports KHS quality measurement initiatives in a single healthcare audit solution including the following:

- Build quality measure data for HEDIS and CMS reporting
- Provides workflow services such as getting patient records and summarizing their contents
- Generate samples and chases for applicable measures
- Medical Record Review (MRR) tool to collect and analyze chart data
- Provides quality assurance and accuracy review audit processes
- Creates the necessary documentation needed for quality audits by NCQA.
- Integrated with P4P and Quality of Care Programs
- Integrated with the Provider Portal
- Ability to perform medical record retrieval on behalf of the health plan.



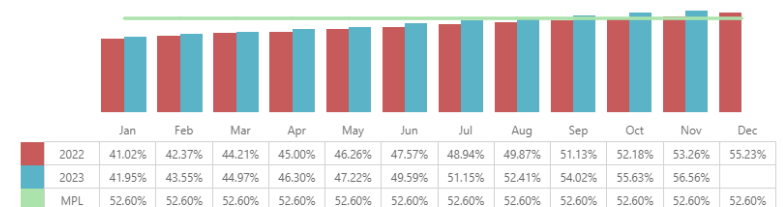
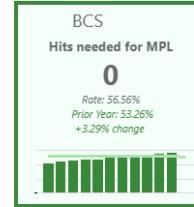


# Metrics Dashboard

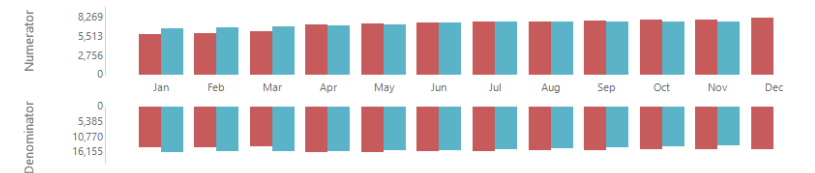


## Breast Cancer Screening

The percentage of women 50-74 years of age who had a mammogram to screen for breast cancer. Measurement period: January 1-December 31.



7,728  
13,664



# Bid/Selection Matrix

| Category                | Weight | Vendor 1 | Vendor 2 | Vendor 3 | Vendor 4 | Vendor 5 |
|-------------------------|--------|----------|----------|----------|----------|----------|
| Company                 | 15%    | 2        | 2        | 2        | 2        | 2        |
| Price                   | 25%    | 1        | 2        | 3        | 2        | 2        |
| Market                  | 15%    | 1        | 2        | 3        | 2        | 2        |
| Technical               | 25%    | 2        | 2        | 3        | 2        | 2        |
| Operations              | 20%    | 1        | 2        | 2        | 2        | 2        |
| <b>Total (Weighted)</b> |        | 1.3      | 2.0      | 2.7      | 2.0      | 2.0      |

| Scale  |
|--|
| 0 = Does not Meet RFP Requirements           |
| 1 = Meets Some RFP Requirements              |
| 2 = Meets RFP Minimum Requirements           |
| 3 = Meets More than RFP Minimum Requirements |
| 4 = Exceeds RFP Minimum Requirements         |



# Board Request

Authorize the CEO to sign a three (3) year contract with Cotiviti in the amount not to exceed \$2,079,724 for the certified Cotiviti HEDIS software.



# You + Us = a better day!

## Questions

Please contact:

Jake Hall  
Deputy Director of Provider Contracts  
661-664-5145  
[jake.hall@khs-net.com](mailto:jake.hall@khs-net.com)





---

## MEMORANDUM

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Cesar Delgado, Senior Director of Business Intelligence  
**SUBJECT:** John Hopkins ACG Predictive Modeler and ACG GeoHealth  
**DATE:** December 14, 2023

---

### **Background**

In 2017, KHS initiated a Request for Proposal (RFP) to solicit vendors for a predictive modeling tool that would enhance healthcare delivery, focusing on risk stratification, targeted interventions, and cost management for complex cases in which the DST Adjusted Clinical Group (ACG) tool from John Hopkins was selected. The John Hopkins Adjusted Clinical Groups (ACG) System is used for health risk predictive modeling and population stratification that is used in population health management within KHS. Data from this tool is used in various internal and external analytics and provides contracted Primary Care Providers (PCPs) with analytics about the risk of the population assigned. This presentation seeks approval to renew the DST John Hopkins ACG Software, with an additional GeoHealth module, that is integrated into various KHS systems.

### **Discussion**

DST Health Solutions, LLC will provide KHS with the John Hopkins ACG Predictive Modeler Software for a three (3) year term.

### **Financial Impact**

Cost for a three (3) year term not to exceed \$601,050 in budgeted expenses.

### **Requested Action**

Approve; Authorize Chief Executive Officer to Sign.

# John Hopkins ACG Predictive Modeler & ACG GeoHealth

Cesar Delgado

Senior Director of Business Intelligence

December 14, 2023



# Agenda

- Overview
- Sequence of Events
- ACG Software
- GeoHealth
- ACG Data Example
- Board Request



# Overview

In 2017, KHS initiated a Request for Proposal (RFP) to solicit vendors for a predictive modeling tool that would enhance healthcare delivery, focusing on risk stratification, targeted interventions, and cost management for complex cases in which the DST Adjusted Clinical Group (ACG) tool from **John Hopkins** was selected. The John Hopkins Adjusted Clinical Groups (ACG) System is used for health risk predictive modeling and population stratification that is used in population health management within KHS. Data from this tool is used in various internal and external analytics and provides contracted Primary Care Providers (PCPs) with analytics about the risk of the population assigned. This presentation seeks approval to renew the DST John Hopkins ACG Software, with an additional GeoHealth module, that is integrated into various KHS systems.





# Sequence of Events

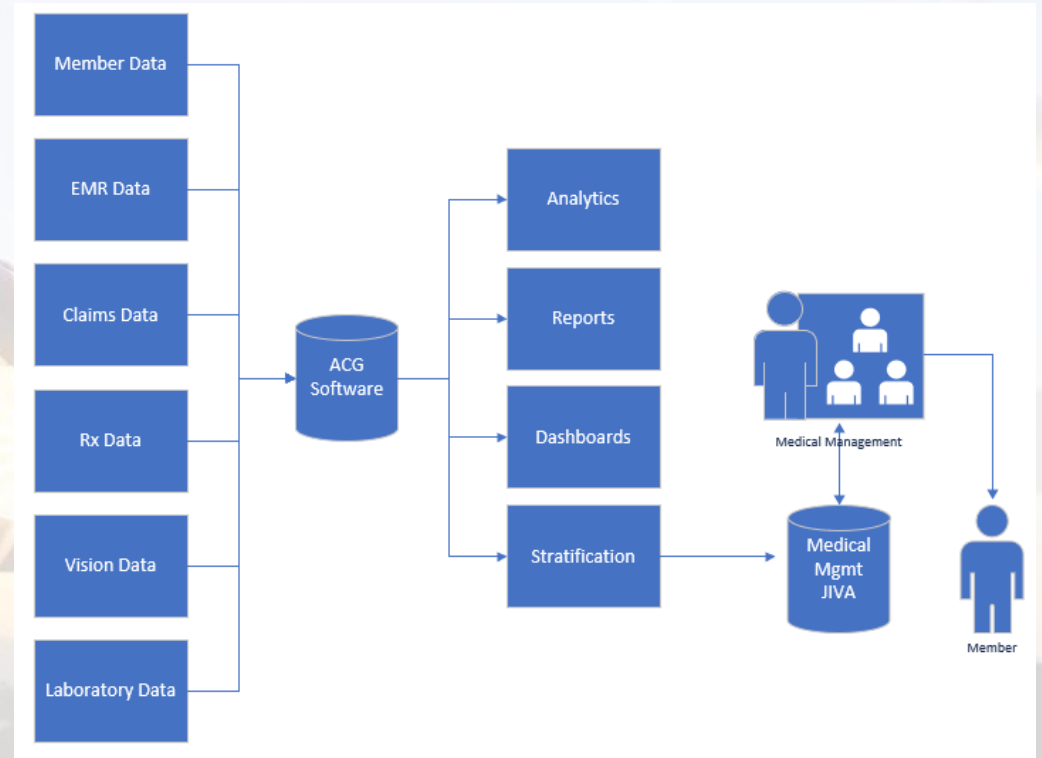
- 2017 KHS Publishes RFP and Selected John Hopkins (JH) ACG Software
- 2020 KHS Renews Contract for Three (3) Years
- Last Six Years Integrated JH ACG into Various Systems
  - P4P, Member Stratification, Internal Dashboards, External Dashboards, Population Analysis & Population Health Management Programs
- 2023 KHS Request Additional Three (3) Year Renewal



# ACG Software

## Data workflow for Johns Hopkins' Software

- Uses various types of health-related data (Member, EMR, Claims, Rx, Vision, and Laboratory Data).
- The processed data then feeds into an analytics system that generates reports, dashboards, and stratification information.



# ACG Software

- Metrics Include (but not limited)
  - Hospital Inpatient/Readmission Probability
  - Hospital Extended Stay Probability
  - Member Risk Score and Utilization Predictions
- KHS Integrations Include (but not limited)
  - Population Health Management System and Programs
  - Population Group Identification and Stratification
  - Provider Data Dashboard



# ACG Software

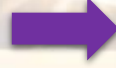
## Patient Need Groups (PNG)

- PNG uses a combination of clinical and non-clinical variables, such as diagnosis, pharmacy, laboratory, and SDoH data, to assign patients to one of 12 groups based on their health status and complexity.



## Social Needs Markers (SNM)

- SNM are patient-level markers driven by medical and diagnostic codes that indicate the presence and severity of social needs in five domains: food insecurity, housing instability, transportation barriers, social isolation, and financial strain.



| Domain         | Sub-domain                    | Description  |
|----------------|-------------------------------|--|
| Housing        | Housing instability           | Lack of stable or adequate housing   |
|                | Homelessness                  | Lack of any housing  |
| Food           | Food insecurity               | Lack of access to sufficient or nutritious food                            |
|                | Malnutrition                  | poor nutritional status due to inadequate food intake or absorption        |
| Transportation | Transportation difficulty     | Difficulty accessing transportation for medical or non-medical purposes    |
| Safety         | Interpersonal violence        | Exposure to physical or sexual violence by a partner or other person       |
|                | Self-harm                     | Intentional injury or harm to oneself                                      |
| Stress         | Mental health                 | Presence of mental health conditions or disorders                          |
|                | Substance use                 | Use of alcohol, tobacco, other drugs that may impair health or functioning |
|                | Financial stress              | Difficulty paying for basic needs or medical care                          |
|                | Social isolation              | Lack Of social support or interaction                                      |
|                | Caregiver stress              | Stress or burden associated With providing care for a dependent person     |
|                | Adverse childhood experiences | Exposure to traumatic events Or abuse during childhood                     |



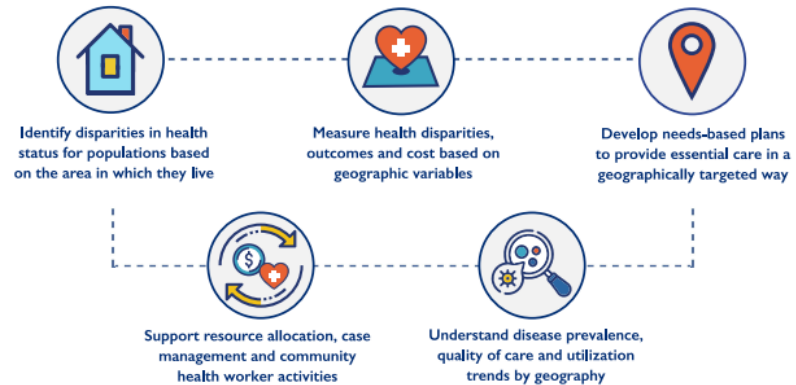
# GeoHealth

## ACG GeoHealth

Working alongside the ACG System's Social Need Markers, ACG GeoHealth is a unique component that enhances an organization's existing data, as it leverages a patient's address to incorporate SDoH risks related to patient geography. This provides valuable insights into a population's geographic contribution to their health based solely on location, without needing to rely on supplementary data sources.



By building on the ACG System's whole-person approach to health needs and predictive measures, ACG GeoHealth provides in-system capabilities to:



ACG GeoHealth provides datasets cleansed and curated at Johns Hopkins, to identify the concentration of disparities in patient populations. Users can measure outcomes based on geographic variables, develop programs and partnerships targeted to geographic areas in which they serve, support appropriate resource allocation and gain more understanding about their patient population.

## ACG GeoHealth Measurements



### Health System Access

- % with Employer-Based Insurance
- % of Population with Medicare
- % of Population with Medicaid



### Physical Environment

- % Vacant Housing
- % Owner-Occupied Housing Units
- # of Vehicles per Worker (16 years +)



### Economic

- % SNAP
- Median Household Income
- % of Population with Income Below Poverty Line



### Social

- Population Density
- Area Deprivation Index
- % Spouse Present
- % Living Alone



### Education

- % 25 Years + with Bachelor's Degree
- % 25 Years + with No High School Diploma
- % 16 Years + With Employment
- Median Home Value





# Board Request

Authorize the CEO to sign a three (3) year contract with DST Health Solutions, LLC. in the amount not to exceed \$601,050 for the John Hopkins ACG Predictive Modeler Software.



# You + Us = a better day!

## Questions

Please contact:

Cesar Delgado  
Senior Director of Business Intelligence  
661-617-2518  
[cesar.delgado@khs-net.com](mailto:cesar.delgado@khs-net.com)







---

**MEMORANDUM**

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Alan Avery, Chief Operating Officer  
**SUBJECT:** Harte Hanks New Member Orientation Calls  
**DATE:** December 14, 2023

---

**Background/Overview**

Kern Health Systems has a policy that requires providing an orientation both verbally and in writing for each new adult member (over 21) and/or head of house within ninety (90) days of enrollment. A new member is defined as an adult/head of house who was never previously enrolled with KHS or previously enrolled and disenrolled greater than six (6) consecutive months prior to their new effective date. KHS has an existing contract with Harte Hanks, a national customer service engagement expert to conduct these new member orientation calls. KHS will continue to mail the new member welcome packet.

The KHS agreement with Harte Hanks stipulates they will be responsible for conducting up to 3,200 new member calls per month. This was based on KHS historical new member monthly enrollment activity during the previous 18 months.

**Discussion**

Given the estimated 68,000+ new HealthNet members transitioning to KHS on 1/1/2024, KHS requested Harte Hanks to submit a proposal to conduct an additional 43,000 new member calls within the ninety-day policy requirement. The 43,000 member calls are the estimated adults/head of household of the HealthNet transitioning members.

**Proposal Overview**

Harte Hank has submitted the following time & material proposal:

- Perform up to 43,000 new member orientation calls between 1/1/24-3/31/24
  - \*Hire 24 English speaking agents (24 x 176 hours=4,224 x \$36 = \$152,064)
  - \*Hire 21 Spanish speaking agents (21 x 176 hours=3,696 x \$39 = \$144,144)
  - \*Agent training, software licenses, telephone charges & management = \$25,204
- Program Total = \$321,412

KHS obtained quotes from two additional vendors. Both had slightly higher pricing, but more importantly they could not meet the urgent staffing request.

**Requested Action**

Approve; Authorize Chief Executive Officer to Sign.

# New Member Orientation Calls HealthNet Transitioning Members

Alan Avery  
Chief Operating Officer  
December 14, 2023



# Background

- KHS contracts with Harte Hanks, a national customer service engagement organization, to conduct KHS new member orientation calls.
- New member orientation calls must be completed within 90 days of enrollment
- Harte Hanks current contract included 3,200 new member orientation calls per month-based on KHS 2023 enrollment trend
- A new member is defined as an adult/head of house who was never previously enrolled with KHS or previously enrolled and disenrolled greater than six consecutive months prior to the new effective date.
- With the estimated 68,000 HealthNet transitioning members to KHS on 1/1/2024, KHS requested Harte Hanks to submit a proposal to conduct the significant additional 43,000\* new member calls within the ninety-day (90) policy requirement. (\*Adult/Head of House estimation)



# Harte Hank Proposal

- Complete the HealthNet 43,000 estimated January 2024 transitioning member orientation calls within policy requirements
  - Hire Twenty-four (24) English speaking agents x 176 hours=4,224 hours x \$36 =\$152,064
  - Hire Twenty-one (21 ) Spanish speaking agents x 176 hours = 3,696 x \$39 = \$144,144
  - Agent training = \$3,366 (+ KHS training coordination)
  - Salesforce licenses = \$8,250
  - Telephone charges =\$11,088
  - Program Management = \$2,500
- Program totals for 43,000 calls = \$321,412
- KHS obtained quotes from two additional vendors. Both had slightly higher pricing, but more importantly could not meet the urgent staffing needs.



# Recommendation

- Request the Board of Directors to authorize the CEO to sign an agreement with Harte Hanks to make 43,000 new member orientation calls for the HealthNet members transitioning to KHS in the amount not to exceed \$321,412.



# You + Us = a better day!

## Questions

For additional information, please contact:

Alan Avery  
Chief Operating Officer  
661-664-5000





---

**MEMORANDUM**

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Robert Landis, Chief Financial Officer  
**SUBJECT:** September 2023 Financial Results  
**DATE:** December 14, 2023

---

The September results reflect a \$4,444,500 Net Increase in Net Position which is a \$4,752,166 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$7.4 million favorable variance primarily due to:
  - A) \$5.6 million favorable variance primarily due to higher-than-expected budgeted Expansion membership.
  - B) \$2.5 million unfavorable variance primarily due to **timing differences** on waiting for DHCS approval to record revenue under the CalAim Incentive Payment Program, Housing and Homeless Incentive Program and the Student Behavioral Health Incentive Program.
  - C) \$.9 million favorable variance in Premium-Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 2B below.
  - D) \$1.0 million favorable variance in Investment Earnings primarily due from higher than forecasted interest rates being earned on the investment portfolio.
  - E) \$2.2 million favorable variance in Rate/Income Adjustments primarily due to receiving additional premium revenue for the Unsatisfactory Immigration Status (UIS) and the Satisfactory Immigration Status (SIS) split for the rate periods 2021 and 2022.

**The State of California provides Medi-Cal coverage to certain UIS members. DHCS is required by CMS to set capitation rates for the UIS and SIS populations separately. Further, the capitation rates for the UIS population are required to be separated by federally eligible services (namely, emergency and pregnancy-related services) and services paid by the State alone (all other services)**

- 2) Total Medical Costs reflect a \$2.6 million unfavorable variance primarily due to:
  - A) \$1.3 million unfavorable variance in Inpatient primarily due to higher-than-expected utilization along with hospital rate increases over the last several months.
  - B) \$.9 million unfavorable variance in Hospital Directed Payments primarily due to higher-than-expected budgeted membership offset amounts included in 1C above.

The September Medical Loss Ratio is 89.4% which is favorable to the 92.8 % budgeted amount. The September Administrative Expense Ratio is 6.6% which is favorable to the 6.9% budgeted amount.

The results for the 9 months ended September 30, 2023 reflect a Net Increase in Net Position of \$93,022,747. This is a \$97,502,393 favorable variance to budget and includes approximately \$22.0 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 83.2% which is favorable to the 92.9% budgeted amount. The year-to-date Administrative Expense Ratio is 6.6% which is favorable to the 6.9% budgeted amount.



**Kern Health Systems  
Financial Packet  
September 2023**

**KHS – Medi-Cal Line of Business**

|   |          |
|---|----------|
| Comparative Statement of Net Position                                       | Page 1   |
| Statement of Revenue, Expenses, and Changes in Net Position                 | Page 2   |
| Statement of Revenue, Expenses, and Changes in Net Position - PMPM          | Page 3   |
| Statement of Revenue, Expenses, and Changes in Net Position by Month        | Page 4-5 |
| Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM | Page 6-7 |
| Schedule of Revenues  | Page 8   |
| Schedule of Medical Costs   | Page 9   |
| Schedule of Medical Costs - PMPM  | Page 10  |
| Schedule of Medical Costs by Month  | Page 11  |
| Schedule of Medical Costs by Month – PMPM                                   | Page 12  |
| Schedule of Administrative Expenses by Department                           | Page 13  |
| Schedule of Administrative Expenses by Department by Month                  | Page 14  |

**KHS Group Health Plan – Healthy Families Line of Business**

|   |         |
|---|---------|
| Comparative Statement of Net Position                       | Page 15 |
| Statement of Revenue, Expenses, and Changes in Net Position | Page 16 |

**KHS Administrative Analysis and Other Reporting**

|                      |         |
|----------------------|---------|
| Monthly Member Count | Page 17 |
|----------------------|---------|

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>STATEMENT OF NET POSITION<br>AS OF SEPTEMBER 30, 2023 |                         |                         |                      |
|--|-------------------------|-------------------------|----------------------|
| ASSETS   | SEPTEMBER 2023          | AUGUST 2023             | INC(DEC)             |
| <b>CURRENT ASSETS:</b>   |                         |                         |                      |
| Cash and Cash Equivalents  | \$ 192,421,103          | \$ 78,496,796           | \$ 113,924,307       |
| Short-Term Investments   | 381,644,130             | 295,835,156             | 85,808,974           |
| Premiums Receivable - Net  | 62,647,955              | 197,923,660             | (135,275,705)        |
| Premiums Receivable - Hospital Direct Payments   | 424,543,362             | 466,888,292             | (42,344,930)         |
| Interest Receivable  | 368,005                 | 288,008                 | 79,997               |
| Provider Advance Payment   | 692,522                 | 436,159                 | 256,363              |
| Other Receivables  | 972,581                 | 1,075,362               | (102,781)            |
| Prepaid Expenses & Other Current Assets  | 7,119,997               | 7,529,895               | (409,898)            |
| <b>Total Current Assets</b>  | <b>\$ 1,070,409,655</b> | <b>\$ 1,048,473,328</b> | <b>\$ 21,936,327</b> |
| <b>CAPITAL ASSETS - NET OF ACCUM DEP'RE:</b>   |                         |                         |                      |
| Land   | 4,090,706               | 4,090,706               | -                    |
| Furniture and Equipment - Net  | 1,184,841               | 1,240,660               | (55,819)             |
| Computer Hardware and Software - Net   | 18,656,422              | 19,188,086              | (531,664)            |
| Building and Building Improvements - Net   | 33,332,335              | 33,402,641              | (70,306)             |
| Capital Projects in Progress   | 2,078,552               | 2,032,108               | 46,444               |
| <b>Total Capital Assets</b>  | <b>\$ 59,342,856</b>    | <b>\$ 59,954,201</b>    | <b>\$ (611,345)</b>  |
| <b>LONG TERM ASSETS:</b>   |                         |                         |                      |
| Restricted Investments   | 300,000                 | 300,000                 | -                    |
| Officer Life Insurance Receivables   | 1,602,024               | 1,620,493               | (18,469)             |
| <b>Total Long Term Assets</b>  | <b>\$ 1,902,024</b>     | <b>\$ 1,920,493</b>     | <b>\$ (18,469)</b>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  | <b>\$ 8,886,257</b>     | <b>\$ 8,886,257</b>     | <b>\$ -</b>          |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                                   | <b>\$ 1,140,540,792</b> | <b>\$ 1,119,234,279</b> | <b>\$ 21,306,513</b> |
| <b>LIABILITIES AND NET POSITION</b>  |                         |                         |                      |
| <b>CURRENT LIABILITIES:</b>  |                         |                         |                      |
| Accrued Salaries and Employee Benefits   | \$ 5,867,039            | \$ 5,667,474            | 199,565              |
| Accrued Other Operating Expenses   | 4,499,315               | 3,647,164               | 852,151              |
| Claims Payable (Reported)  | 22,996,862              | 18,779,248              | 4,217,614            |
| IBNR - Inpatient Claims  | 58,958,405              | 53,964,337              | 4,994,068            |
| IBNR - Physician Claims  | 20,615,548              | 19,314,331              | 1,301,217            |
| IBNR - Accrued Other Medical   | 29,777,369              | 28,986,418              | 790,951              |
| Risk Pool and Withholds Payable  | 4,698,535               | 4,169,123               | 529,412              |
| Statutory Allowance for Claims Processing Expense  | 3,195,869               | 3,195,869               | -                    |
| Other Liabilities  | 141,298,438             | 95,215,110              | 46,083,328           |
| Accrued Hospital Directed Payments   | 424,605,577             | 466,711,870             | (42,106,293)         |
| <b>Total Current Liabilities</b>   | <b>\$ 716,512,957</b>   | <b>\$ 699,650,944</b>   | <b>\$ 16,862,013</b> |
| <b>NONCURRENT LIABILITIES:</b>   |                         |                         |                      |
| Net Pension Liability  | 12,018,206              | 12,018,206              | -                    |
| <b>TOTAL NONCURRENT LIABILITIES</b>  | <b>\$ 12,018,206</b>    | <b>\$ 12,018,206</b>    | <b>\$ -</b>          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   | <b>\$ 230,571</b>       | <b>\$ 230,571</b>       | <b>\$ -</b>          |
| <b>NET POSITION:</b>   |                         |                         |                      |
| Net Position - Beg. of Year  | 318,756,311             | 318,756,311             | -                    |
| Increase (Decrease) in Net Position - Current Year                                       | 93,022,747              | 88,578,247              | 4,444,500            |
| <b>Total Net Position</b>  | <b>\$ 411,779,058</b>   | <b>\$ 407,334,558</b>   | <b>\$ 4,444,500</b>  |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>                 | <b>\$ 1,140,540,792</b> | <b>\$ 1,119,234,279</b> | <b>\$ 21,306,513</b> |

| CURRENT MONTH MEMBERS |             |             | KERN HEALTH SYSTEMS<br>MEDI-CAL - ALL COA<br>STATEMENT OF REVENUE, EXPENSES, AND<br>CHANGES IN NET POSITION<br>FOR THE MONTH ENDED SEPTEMBER 30, 2023 |                      |                      | YEAR-TO-DATE MEMBER MONTHS |        |          |
|-----------------------|-------------|-------------|---|----------------------|----------------------|----------------------------|--------|----------|
|                       |             |             |   |                      |                      | ACTUAL                     | BUDGET | VARIANCE |
| 211,138               | 212,300     | (1,162)     | Family Members  | 1,913,444            | 1,919,600            | (6,156)                    |        |          |
| 99,850                | 92,700      | 7,150       | Expansion Members   | 895,170              | 844,900              | 50,270                     |        |          |
| 18,443                | 17,700      | 743         | SPD Members   | 165,338              | 160,400              | 4,938                      |        |          |
| 399                   | 650         | (251)       | LTC Members   | 3,233                | 4,200                | (967)                      |        |          |
| 22,304                | 23,700      | (1,396)     | Other Members   | 186,874              | 198,300              | (11,426)                   |        |          |
| 15,838                | 14,000      | 1,838       | Kaiser Members  | 139,842              | 126,000              | 13,842                     |        |          |
| 367,972               | 361,050     | 6,922       | <b>Total Members - MCAL</b>   | <b>3,303,901</b>     | <b>3,253,400</b>     | <b>50,501</b>              |        |          |
|                       |             |             | <b>REVENUES</b>   |                      |                      |                            |        |          |
| 43,328,819            | 42,957,369  | 371,450     | Title XIX - Medicaid - Family and Other   | 382,567,182          | 384,715,804          | (2,148,622)                |        |          |
| 38,490,002            | 34,021,307  | 4,468,695   | Title XIX - Medicaid - Expansion Members  | 336,213,381          | 310,066,922          | 26,146,459                 |        |          |
| 19,937,702            | 20,234,080  | (296,378)   | Title XIX - Medicaid - SPD Members  | 173,464,214          | 183,364,203          | (9,899,989)                |        |          |
| 3,149,260             | 4,566,444   | (1,417,184) | Title XIX - Medicaid - LTC Members  | 24,211,976           | 29,663,532           | (5,451,556)                |        |          |
| -                     | -           | -           | Premium - MCO Tax   | -                    | -                    | -                          |        |          |
| 21,801,472            | 20,871,186  | 930,286     | Premium - Hospital Directed Payments  | 195,822,185          | 189,278,222          | 6,543,963                  |        |          |
| 1,438,685             | 431,665     | 1,007,020   | Investment Earnings And Other Income  | 12,074,798           | 3,873,831            | 8,200,967                  |        |          |
| -                     | 76,464      | (76,464)    | Reinsurance Recoveries  | -                    | 689,044              | (689,044)                  |        |          |
| 139,435               | -           | 139,435     | Rate Adjustments - Hospital Directed Payments   | (13,829)             | -                    | (13,829)                   |        |          |
| 2,226,733             | -           | 2,226,733   | Rate/Income Adjustments   | 5,376,690            | -                    | 5,376,690                  |        |          |
| 130,512,108           | 123,158,515 | 7,353,593   | <b>TOTAL REVENUES</b>   | <b>1,129,716,597</b> | <b>1,101,651,559</b> | <b>28,065,038</b>          |        |          |
|                       |             |             | <b>EXPENSES</b>   |                      |                      |                            |        |          |
|                       |             |             | <b>Medical Costs:</b>   |                      |                      |                            |        |          |
| 21,311,972            | 21,451,125  | 139,153     | Physician Services  | 187,463,200          | 193,717,915          | 6,254,715                  |        |          |
| 6,391,087             | 6,933,050   | 541,963     | Other Professional Services   | 54,842,222           | 62,503,070           | 7,660,848                  |        |          |
| 5,694,566             | 5,745,856   | 51,290      | Emergency Room  | 47,257,698           | 51,875,957           | 4,618,259                  |        |          |
| 24,726,100            | 23,473,816  | (1,252,284) | <b>Inpatient</b>  | <b>199,822,840</b>   | <b>212,393,003</b>   | <b>12,570,163</b>          |        |          |
| 95,910                | 76,464      | (19,446)    | Reinsurance Expense   | 941,035              | 689,044              | (251,991)                  |        |          |
| 11,158,217            | 10,454,866  | (703,351)   | Outpatient Hospital   | 95,091,101           | 93,910,012           | (1,181,089)                |        |          |
| 26,396,360            | 26,287,826  | (108,534)   | Other Medical   | 204,695,123          | 228,132,675          | 23,437,552                 |        |          |
| 529,365               | 520,372     | (8,993)     | Pay for Performance Quality Incentive   | 4,745,645            | 4,691,727            | (53,918)                   |        |          |
| 21,801,472            | 20,871,186  | (930,286)   | Hospital Directed Payments  | 195,822,185          | 189,278,222          | (6,543,963)                |        |          |
| (423,787)             | -           | 423,787     | Hospital Directed Payment Adjustment  | (1,354,856)          | -                    | 1,354,856                  |        |          |
| 52,429                | -           | (52,429)    | Non-Claims Expense Adjustment   | (1,625,286)          | -                    | 1,625,286                  |        |          |
| 701,159               | -           | (701,159)   | IBNR, Incentive, Paid Claims Adjustment   | (15,853,078)         | -                    | 15,853,078                 |        |          |
| 118,434,850           | 115,814,560 | (2,620,290) | <b>Total Medical Costs</b>  | <b>971,847,829</b>   | <b>1,037,191,625</b> | <b>65,343,796</b>          |        |          |
| 12,077,258            | 7,343,955   | 4,733,303   | <b>GROSS MARGIN</b>   | <b>157,868,768</b>   | <b>64,459,934</b>    | <b>93,408,834</b>          |        |          |
|                       |             |             | <b>Administrative:</b>  |                      |                      |                            |        |          |
| 4,036,689             | 4,009,842   | (26,847)    | Compensation  | 33,637,342           | 36,163,568           | 2,526,226                  |        |          |
| 1,774,151             | 1,690,082   | (84,069)    | Purchased Services  | 13,496,282           | 15,210,736           | 1,714,454                  |        |          |
| 210,861               | 227,316     | 16,455      | Supplies  | 1,435,406            | 2,045,846            | 610,440                    |        |          |
| 693,125               | 649,950     | (43,175)    | Depreciation  | 6,170,482            | 5,849,546            | (320,936)                  |        |          |
| 436,285               | 449,119     | 12,834      | Other Administrative Expenses   | 4,543,119            | 4,042,067            | (501,052)                  |        |          |
| 267                   | -           | (267)       | Administrative Expense Adjustment   | 2,147,162            | -                    | (2,147,162)                |        |          |
| 7,151,378             | 7,026,308   | (125,070)   | <b>Total Administrative Expenses</b>  | <b>61,429,793</b>    | <b>63,311,762</b>    | <b>1,881,970</b>           |        |          |
| 125,586,228           | 122,840,868 | (2,745,360) | <b>TOTAL EXPENSES</b>   | <b>1,033,277,622</b> | <b>1,100,503,387</b> | <b>67,225,765</b>          |        |          |
| 4,925,880             | 317,647     | 4,608,233   | <b>OPERATING INCOME (LOSS) BEFORE TAX</b>   | <b>96,438,975</b>    | <b>1,148,172</b>     | <b>95,290,803</b>          |        |          |
| -                     | -           | -           | <b>MCO TAX</b>  | <b>-</b>             | <b>-</b>             | <b>-</b>                   |        |          |
| 4,925,880             | 317,647     | 4,608,233   | <b>OPERATING INCOME (LOSS) NET OF TAX</b>   | <b>96,438,975</b>    | <b>1,148,172</b>     | <b>95,290,803</b>          |        |          |
|                       |             |             | <b>NONOPERATING REVENUE (EXPENSE)</b>   |                      |                      |                            |        |          |
| 14,871                | -           | 14,871      | Provider Grants/CalAIM/Home Health  | (543)                | -                    | (543)                      |        |          |
| (496,251)             | (625,313)   | 129,062     | D-SNP Expenses  | (3,415,685)          | (5,627,817)          | 2,212,132                  |        |          |
| (481,380)             | (625,313)   | 143,933     | <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>   | <b>(3,416,228)</b>   | <b>(5,627,817)</b>   | <b>2,211,589</b>           |        |          |
| 4,444,500             | (307,666)   | 4,752,166   | <b>NET INCREASE (DECREASE) IN NET POSITION</b>  | <b>93,022,747</b>    | <b>(4,479,646)</b>   | <b>97,502,393</b>          |        |          |
| 89.4%                 | 92.8%       | 3.4%        | <b>MEDICAL LOSS RATIO</b>   | <b>83.2%</b>         | <b>92.9%</b>         | <b>9.7%</b>                |        |          |
| 6.6%                  | 6.9%        | 0.3%        | <b>ADMINISTRATIVE EXPENSE RATIO</b>   | <b>6.6%</b>          | <b>6.9%</b>          | <b>0.4%</b>                |        |          |

| CURRENT MONTH                         |          |          | STATEMENT OF REVENUE, EXPENSES, AND CHANGES<br>IN NET POSITION - PMPM<br>FOR THE MONTH ENDED SEPTEMBER 30, 2023 | YEAR-TO-DATE |           |          |
|---------------------------------------|----------|----------|---|--------------|-----------|----------|
| ACTUAL                                | BUDGET   | VARIANCE |   | ACTUAL       | BUDGET    | VARIANCE |
| <b>ENROLLMENT</b>                     |          |          |   |              |           |          |
| 211,138                               | 212,300  | (1,162)  | Family Members  | 1,913,444    | 1,919,600 | (6,156)  |
| 99,850                                | 92,700   | 7,150    | Expansion Members   | 895,170      | 844,900   | 50,270   |
| 18,443                                | 17,700   | 743      | SPD Members   | 165,338      | 160,400   | 4,938    |
| 399                                   | 650      | (251)    | LTC Members   | 3,233        | 4,200     | (967)    |
| 22,304                                | 23,700   | (1,396)  | Other Members   | 186,874      | 198,300   | (11,426) |
| 15,838                                | 14,000   | 1,838    | Kaiser Members  | 139,842      | 126,000   | 13,842   |
| 367,972                               | 361,050  | 6,922    | <b>Total Members - MCAL</b>   | 3,303,901    | 3,253,400 | 50,501   |
| <b>REVENUES</b>                       |          |          |   |              |           |          |
| 185.61                                | 182.02   | 3.59     | Title XIX - Medicaid - Family and Other   | 182.15       | 181.65    | 0.50     |
| 385.48                                | 367.00   | 18.47    | Title XIX - Medicaid - Expansion Members  | 375.59       | 366.99    | 8.60     |
| 1,081.04                              | 1,143.17 | (62.12)  | Title XIX - Medicaid - SPD Members  | 1,049.15     | 1,143.17  | (94.02)  |
| 7,892.88                              | 7,025.30 | 867.58   | Title XIX - Medicaid - LTC Members  | 7,489.01     | 7,062.75  | 426.27   |
| 0.00                                  | 0.00     | 0.00     | Premium - MCO Tax   | 0.00         | 0.00      | 0.00     |
| 61.91                                 | 60.14    | 1.77     | Premium - Hospital Directed Payments  | 61.89        | 60.52     | 1.37     |
| 4.09                                  | 1.24     | 2.84     | Investment Earnings And Other Income  | 3.82         | 1.24      | 2.58     |
| 0.00                                  | 0.22     | (0.22)   | Reinsurance Recoveries  | 0.00         | 0.22      | (0.22)   |
| 0.40                                  | 0.00     | 0.40     | Rate Adjustments - Hospital Directed Payments   | (0.00)       | 0.00      | (0.00)   |
| 6.32                                  | 0.00     | 6.32     | Rate/Income Adjustments   | 1.70         | 0.00      | 1.70     |
| 370.63                                | 354.87   | 15.76    | <b>TOTAL REVENUES</b>   | 357.05       | 352.26    | 4.79     |
| <b>EXPENSES</b>                       |          |          |   |              |           |          |
| Medical Costs:                        |          |          |   |              |           |          |
| 60.52                                 | 61.81    | 1.29     | Physician Services  | 59.25        | 61.94     | 2.69     |
| 18.15                                 | 19.98    | 1.83     | Other Professional Services   | 17.33        | 19.99     | 2.65     |
| 16.17                                 | 16.56    | 0.38     | Emergency Room  | 14.94        | 16.59     | 1.65     |
| 70.22                                 | 67.64    | (2.58)   | Inpatient   | 63.15        | 67.91     | 4.76     |
| 0.27                                  | 0.22     | (0.05)   | Reinsurance Expense   | 0.30         | 0.22      | (0.08)   |
| 31.69                                 | 30.12    | (1.56)   | Outpatient Hospital   | 30.05        | 30.03     | (0.03)   |
| 74.96                                 | 75.75    | 0.79     | Other Medical   | 64.69        | 72.95     | 8.25     |
| 1.50                                  | 1.50     | (0.00)   | Pay for Performance Quality Incentive   | 1.50         | 1.50      | 0.00     |
| 61.91                                 | 60.14    | (1.77)   | Hospital Directed Payments  | 61.89        | 60.52     | (1.37)   |
| (1.20)                                | 0.00     | 1.20     | Hospital Directed Payment Adjustment  | (0.43)       | 0.00      | 0.43     |
| 0.15                                  | 0.00     | (0.15)   | Non-Claims Expense Adjustment   | (0.51)       | 0.00      | 0.51     |
| 1.99                                  | 0.00     | (1.99)   | IBNR, Incentive, Paid Claims Adjustment   | (5.01)       | 0.00      | 5.01     |
| 336.33                                | 333.71   | (2.62)   | <b>Total Medical Costs</b>  | 307.15       | 331.65    | 24.49    |
| 34.30                                 | 21.16    | 13.14    | <b>GROSS MARGIN</b>   | 49.89        | 20.61     | 29.28    |
| Administrative:                       |          |          |   |              |           |          |
| 11.46                                 | 11.55    | 0.09     | Compensation  | 10.63        | 11.56     | 0.93     |
| 5.04                                  | 4.87     | (0.17)   | Purchased Services  | 4.27         | 4.86      | 0.60     |
| 0.60                                  | 0.65     | 0.06     | Supplies  | 0.45         | 0.65      | 0.20     |
| 1.97                                  | 1.87     | (0.10)   | Depreciation  | 1.95         | 1.87      | (0.08)   |
| 1.24                                  | 1.29     | 0.06     | Other Administrative Expenses   | 1.44         | 1.29      | (0.14)   |
| 0.00                                  | 0.00     | (0.00)   | Administrative Expense Adjustment   | 0.68         | 0.00      | (0.68)   |
| 20.31                                 | 20.25    | (0.06)   | <b>Total Administrative Expenses</b>  | 19.41        | 20.24     | 0.83     |
| 356.64                                | 353.96   | (2.69)   | <b>TOTAL EXPENSES</b>   | 326.57       | 351.89    | 25.32    |
| 13.99                                 | 0.92     | 13.07    | <b>OPERATING INCOME (LOSS) BEFORE TAX</b>   | 30.48        | 0.37      | 30.11    |
| 0.00                                  | 0.00     | 0.00     | <b>MCO TAX</b>  | 0.00         | 0.00      | 0.00     |
| 13.99                                 | 0.92     | 13.07    | <b>OPERATING INCOME (LOSS) NET OF TAX</b>   | 30.48        | 0.37      | 30.11    |
| <b>NONOPERATING REVENUE (EXPENSE)</b> |          |          |   |              |           |          |
| 0.00                                  | 0.00     | 0.00     | Gain on Sale of Assets  | 0.00         | 0.00      | 0.00     |
| 0.04                                  | 0.00     | 0.04     | Reserve Fund Projects/Community Grants  | (0.00)       | 0.00      | (0.00)   |
| (1.41)                                | (1.80)   | 0.39     | Health Home   | (1.08)       | (1.80)    | 0.72     |
| (1.37)                                | (1.80)   | 0.43     | <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>   | (1.08)       | (1.80)    | 0.72     |
| 12.62                                 | (0.89)   | 13.51    | <b>NET INCREASE (DECREASE) IN NET POSITION</b>  | 29.40        | (1.43)    | 30.83    |
| 89.4%                                 | 92.8%    | 3.4%     | <b>MEDICAL LOSS RATIO</b>   | 83.2%        | 92.9%     | 9.7%     |
| 6.6%                                  | 6.9%     | 0.3%     | <b>ADMINISTRATIVE EXPENSE RATIO</b>   | 6.6%         | 6.9%      | 0.4%     |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>STATEMENT OF REVENUE, EXPENSES, AND<br>CHANGES IN NET POSITION BY MONTH -<br>ROLLING 13 MONTHS<br>THROUGH SEPTEMBER 30, 2023 | SEPTEMBER          | OCTOBER            | NOVEMBER           | DECEMBER           | JANUARY            | FEBRUARY           | MARCH              |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 2022               | 2022               | 2022               | 2022               | 2023               | 2023               | 2023               |
| <b>ENROLLMENT</b>   |                    |                    |                    |                    |                    |                    |                    |
| Members - MCAL  | 325,920            | 329,121            | 331,947            | 336,514            | 332,414            | 349,465            | 351,010            |
| <b>REVENUES</b>   |                    |                    |                    |                    |                    |                    |                    |
| Title XIX - Medicaid - Family and Other   | 37,957,277         | 37,949,223         | 39,648,035         | 34,345,215         | 38,355,206         | 40,922,562         | 41,044,003         |
| Title XIX - Medicaid - Expansion Members  | 31,275,148         | 31,549,369         | 32,934,833         | 30,862,645         | 35,864,920         | 36,154,732         | 35,902,983         |
| Title XIX - Medicaid - SPD Members  | 15,760,220         | 15,913,345         | 15,878,315         | 15,500,822         | 18,119,057         | 19,012,691         | 19,068,659         |
| Title XIX - Medicaid - LTC Members  | -                  | -                  | -                  | -                  | 201,227            | 2,814,382          | 2,968,601          |
| Premium - MCO Tax   | 10,883,460         | 10,883,459         | 10,883,460         | 10,883,460         | -                  | -                  | -                  |
| Premium - Hospital Directed Payments  | 18,857,014         | 18,961,885         | 19,322,384         | 27,573,903         | 21,209,673         | 21,515,947         | 21,609,701         |
| Investment Earnings And Other Income  | 353,347            | 179,268            | 888,027            | 714,738            | 1,400,146          | 440,597            | 2,337,674          |
| Reinsurance Recoveries  | -                  | -                  | -                  | 152,481            | -                  | -                  | -                  |
| Rate Adjustments - Hospital Directed Payments   | (4,606,563)        | 9,926              | (5,267)            | 12,446,127         | (684,297)          | 33,520             | 32,816             |
| Rate/Income Adjustments   | 203,911            | 124,448            | 1,298,007          | 333,950            | (968,410)          | 350,076            | 1,115,116          |
| <b>TOTAL REVENUES</b>   | <b>110,683,814</b> | <b>115,570,923</b> | <b>120,847,794</b> | <b>132,813,341</b> | <b>113,497,522</b> | <b>121,244,507</b> | <b>124,079,553</b> |
| <b>EXPENSES</b>   |                    |                    |                    |                    |                    |                    |                    |
| Medical Costs:  |                    |                    |                    |                    |                    |                    |                    |
| Physician Services  | 18,622,853         | 18,169,774         | 18,483,343         | 16,678,607         | 20,302,072         | 19,187,941         | 20,648,045         |
| Other Professional Services   | 5,024,917          | 5,041,998          | 5,432,710          | 6,175,363          | 5,493,905          | 5,413,638          | 6,067,168          |
| Emergency Room  | 4,773,821          | 4,790,820          | 5,682,299          | 5,082,054          | 5,195,994          | 4,633,288          | 5,199,635          |
| Inpatient   | 22,797,560         | 22,462,437         | 18,414,421         | 12,591,938         | 22,641,712         | 21,804,027         | 22,997,133         |
| Reinsurance Expense   | 142,533            | 58,493             | 58,838             | 59,818             | 90,859             | 180,937            | 94,363             |
| Outpatient Hospital   | 9,352,210          | 9,319,855          | 8,727,267          | 9,093,742          | 9,616,781          | 9,652,797          | 11,362,056         |
| Other Medical   | 15,744,662         | 16,418,094         | 16,382,849         | 6,543,097          | 15,528,820         | 23,011,370         | 23,040,484         |
| Pay for Performance Quality Incentive   | 490,964            | 493,681            | 493,681            | 504,771            | 498,590            | 524,238            | 526,516            |
| Hospital Directed Payments  | 18,857,014         | 18,961,885         | 19,322,384         | 27,573,903         | 21,209,673         | 21,515,947         | 21,609,701         |
| Hospital Directed Payment Adjustment  | (4,064,727)        | 9,926              | (5,266)            | 12,446,126         | (684,297)          | 33,520             | (869,333)          |
| Non-Claims Expense Adjustment   | 9,821              | (248,768)          | 4,018              | (1,071,264)        | (128,832)          | 3,429              | 72,961             |
| IBNR, Incentive, Paid Claims Adjustment   | (789,121)          | (435,695)          | (436,641)          | (6,704,318)        | 9,076              | 32,166             | (4,009,312)        |
| Total Medical Costs   | 90,962,507         | 95,042,500         | 92,559,903         | 88,973,837         | 99,774,353         | 105,993,298        | 106,739,417        |
| GROSS MARGIN  | 19,721,307         | 20,528,423         | 28,287,891         | 43,839,504         | 13,723,169         | 15,251,209         | 17,340,136         |
| Administrative:   |                    |                    |                    |                    |                    |                    |                    |
| Compensation  | 3,213,222          | 3,387,496          | 3,241,130          | 4,707,264          | 3,547,045          | 3,492,028          | 3,754,627          |
| Purchased Services  | 997,356            | 1,009,393          | 1,034,408          | 1,262,419          | 939,926            | 1,549,694          | 1,516,766          |
| Supplies  | 85,530             | 66,157             | 258,430            | 220,189            | 87,606             | 161,043            | 106,568            |
| Depreciation  | 583,673            | 584,905            | 622,602            | 627,772            | 680,616            | 679,350            | 682,158            |
| Other Administrative Expenses   | 298,240            | 304,229            | 320,234            | 966,290            | 660,263            | 384,578            | 557,118            |
| Administrative Expense Adjustment   | 420,793            | 299,429            | 299,689            | 508,526            | 109,675            | 301,496            | 320,296            |
| Total Administrative Expenses   | 5,598,814          | 5,651,609          | 5,776,493          | 8,292,460          | 6,025,131          | 6,568,189          | 6,937,533          |
| <b>TOTAL EXPENSES</b>   | <b>96,561,321</b>  | <b>100,694,109</b> | <b>98,336,396</b>  | <b>97,266,297</b>  | <b>105,799,484</b> | <b>112,561,487</b> | <b>113,676,950</b> |
| <b>OPERATING INCOME (LOSS) BEFORE TAX</b>   | <b>14,122,493</b>  | <b>14,876,814</b>  | <b>22,511,398</b>  | <b>35,547,044</b>  | <b>7,698,038</b>   | <b>8,683,020</b>   | <b>10,402,603</b>  |
| MCO TAX   | 10,883,459         | 10,883,460         | 10,883,460         | 10,883,459         | -                  | -                  | -                  |
| <b>OPERATING INCOME (LOSS) NET OF TAX</b>   | <b>3,239,034</b>   | <b>3,993,354</b>   | <b>11,627,938</b>  | <b>24,663,585</b>  | <b>7,698,038</b>   | <b>8,683,020</b>   | <b>10,402,603</b>  |
| <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>   | <b>(27,966)</b>    | <b>(5,428)</b>     | <b>4,000</b>       | <b>(34,557)</b>    | <b>(60,423)</b>    | <b>(153,079)</b>   | <b>(672,750)</b>   |
| <b>NET INCREASE (DECREASE) IN NET POSITION</b>  | <b>3,211,068</b>   | <b>3,987,926</b>   | <b>11,631,938</b>  | <b>24,629,028</b>  | <b>7,637,615</b>   | <b>8,529,941</b>   | <b>9,729,853</b>   |
| <b>MEDICAL LOSS RATIO</b>   | <b>89.0%</b>       | <b>88.7%</b>       | <b>80.8%</b>       | <b>59.8%</b>       | <b>85.2%</b>       | <b>84.7%</b>       | <b>84.0%</b>       |
| <b>ADMINISTRATIVE EXPENSE RATIO</b>   | <b>6.5%</b>        | <b>6.6%</b>        | <b>6.4%</b>        | <b>10.1%</b>       | <b>6.5%</b>        | <b>6.6%</b>        | <b>6.8%</b>        |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>STATEMENT OF REVENUE, EXPENSES, AND<br>CHANGES IN NET POSITION BY MONTH -<br>ROLLING 13 MONTHS<br>THROUGH SEPTEMBER 30, 2023 | APRIL<br>2023      | MAY<br>2023        | JUNE<br>2023       | JULY<br>2023       | AUGUST<br>2023     | SEPTEMBER<br>2023  | 13 MONTH<br>TOTAL    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| <b>ENROLLMENT</b>   |                    |                    |                    |                    |                    |                    |                      |
| Members - MCAL  | 353,005            | 355,915            | 357,008            | 356,115            | 356,993            | 352,134            | 4,487,561            |
| <b>REVENUES</b>   |                    |                    |                    |                    |                    |                    |                      |
| Title XIX - Medicaid - Family and Other   | 41,661,492         | 44,450,874         | 45,303,824         | 45,811,582         | 41,688,820         | 43,328,819         | 532,466,932          |
| Title XIX - Medicaid - Expansion Members  | 36,465,640         | 38,238,101         | 38,910,749         | 38,966,690         | 37,219,564         | 38,490,002         | 462,835,376          |
| Title XIX - Medicaid - SPD Members  | 19,567,025         | 19,083,062         | 19,664,806         | 19,655,340         | 19,355,872         | 19,937,702         | 236,516,916          |
| Title XIX - Medicaid - LTC Members  | 2,968,602          | 3,026,025          | 3,130,269          | 2,933,682          | 3,019,928          | 3,149,260          | 24,211,976           |
| Premium - MCO Tax   | -                  | -                  | -                  | -                  | -                  | -                  | 43,533,839           |
| Premium - Hospital Directed Payments  | 21,948,157         | 21,792,771         | 22,188,234         | 21,822,439         | 21,933,791         | 21,801,472         | 280,537,371          |
| Investment Earnings And Other Income  | 1,314,336          | 651,530            | 1,485,525          | 1,706,041          | 1,300,264          | 1,438,685          | 14,210,178           |
| Reinsurance Recoveries  | -                  | -                  | -                  | -                  | -                  | -                  | 152,481              |
| Rate Adjustments - Hospital Directed Payments   | 37,815             | 5,509              | 15,555             | (15,187)           | 421,005            | 139,435            | 7,830,394            |
| Rate/Income Adjustments   | 978,086            | 1,497,916          | 213,618            | 1,690              | (38,135)           | 2,226,733          | 7,337,006            |
| <b>TOTAL REVENUES</b>   | <b>124,941,153</b> | <b>128,745,788</b> | <b>130,912,580</b> | <b>130,882,277</b> | <b>124,901,109</b> | <b>130,512,108</b> | <b>1,609,632,469</b> |
| <b>EXPENSES</b>   |                    |                    |                    |                    |                    |                    |                      |
| <b>Medical Costs:</b>   |                    |                    |                    |                    |                    |                    |                      |
| Physician Services  | 21,262,722         | 21,747,296         | 21,895,594         | 20,488,109         | 20,619,449         | 21,311,972         | 259,417,777          |
| Other Professional Services   | 5,720,799          | 6,643,597          | 6,838,173          | 5,443,151          | 6,830,704          | 6,391,087          | 76,517,210           |
| Emergency Room  | 5,262,548          | 5,131,679          | 5,555,164          | 4,984,270          | 5,600,554          | 5,694,566          | 67,586,692           |
| Inpatient   | 23,980,922         | 21,382,030         | 19,096,686         | 22,316,634         | 20,877,596         | 24,726,100         | 276,089,196          |
| Reinsurance Expense   | 94,773             | 95,311             | 96,097             | 96,097             | 96,688             | 95,910             | 1,260,717            |
| Outpatient Hospital   | 10,886,974         | 11,009,988         | 10,557,328         | 10,233,407         | 10,613,553         | 11,158,217         | 131,584,175          |
| Other Medical   | 22,948,410         | 22,151,470         | 25,626,415         | 22,600,808         | 23,390,986         | 26,396,360         | 259,783,825          |
| Pay for Performance Quality Incentive   | 529,507            | 533,873            | 533,872            | 535,512            | 534,172            | 529,365            | 6,728,742            |
| Hospital Directed Payments  | 21,948,157         | 21,792,771         | 22,188,234         | 21,822,439         | 21,933,791         | 21,801,472         | 280,537,371          |
| Hospital Directed Payment Adjustment  | 37,816             | 123,932            | 15,555             | (15,187)           | 426,925            | (423,787)          | 7,031,203            |
| Non-Claims Expense Adjustment   | 177,517            | (2,449,080)        | 3,040              | 639,578            | 3,672              | 52,429             | (2,931,479)          |
| IBNR, Incentive, Paid Claims Adjustment   | (4,430,362)        | (4,472,016)        | (4,829,330)        | 707,021            | 438,520            | 701,159            | (24,218,853)         |
| <b>Total Medical Costs</b>  | <b>108,419,783</b> | <b>103,690,851</b> | <b>107,576,828</b> | <b>109,851,839</b> | <b>111,366,610</b> | <b>118,434,850</b> | <b>1,339,386,576</b> |
| <b>GROSS MARGIN</b>   | <b>16,521,370</b>  | <b>25,054,937</b>  | <b>23,335,752</b>  | <b>21,030,438</b>  | <b>13,534,499</b>  | <b>12,077,258</b>  | <b>270,245,893</b>   |
| <b>Administrative:</b>  |                    |                    |                    |                    |                    |                    |                      |
| Compensation  | 3,614,954          | 3,792,281          | 3,620,970          | 3,743,082          | 4,035,666          | 4,036,689          | 48,186,454           |
| Purchased Services  | 1,481,551          | 1,530,859          | 1,863,224          | 1,454,753          | 1,385,358          | 1,774,151          | 17,799,858           |
| Supplies  | 113,296            | 134,551            | 30,404             | 196,052            | 395,025            | 210,861            | 2,065,712            |
| Depreciation  | 684,369            | 685,407            | 685,551            | 686,781            | 693,125            | 693,125            | 8,589,434            |
| Other Administrative Expenses   | 442,055            | 441,734            | 562,847            | 623,127            | 435,112            | 436,285            | 6,432,112            |
| Administrative Expense Adjustment   | 300,000            | 300,950            | 501,326            | 300,183            | 12,969             | 267                | 3,675,599            |
| <b>Total Administrative Expenses</b>  | <b>6,636,225</b>   | <b>6,885,782</b>   | <b>7,264,322</b>   | <b>7,003,978</b>   | <b>6,957,255</b>   | <b>7,151,378</b>   | <b>86,749,169</b>    |
| <b>TOTAL EXPENSES</b>   | <b>115,056,008</b> | <b>110,576,633</b> | <b>114,841,150</b> | <b>116,855,817</b> | <b>118,323,865</b> | <b>125,586,228</b> | <b>1,426,135,745</b> |
| <b>OPERATING INCOME (LOSS) BEFORE TAX</b>   | <b>9,885,145</b>   | <b>18,169,155</b>  | <b>16,071,430</b>  | <b>14,026,460</b>  | <b>6,577,244</b>   | <b>4,925,880</b>   | <b>183,496,724</b>   |
| <b>MCO TAX</b>  | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>43,533,838</b>    |
| <b>OPERATING INCOME (LOSS) NET OF TAX</b>   | <b>9,885,145</b>   | <b>18,169,155</b>  | <b>16,071,430</b>  | <b>14,026,460</b>  | <b>6,577,244</b>   | <b>4,925,880</b>   | <b>139,962,886</b>   |
| <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>   | <b>(310,622)</b>   | <b>(300,144)</b>   | <b>(672,234)</b>   | <b>(307,680)</b>   | <b>(457,916)</b>   | <b>(481,380)</b>   | <b>(3,480,179)</b>   |
| <b>NET INCREASE (DECREASE) IN NET POSITION</b>  | <b>9,574,523</b>   | <b>17,869,011</b>  | <b>15,399,196</b>  | <b>13,718,780</b>  | <b>6,119,328</b>   | <b>4,444,500</b>   | <b>136,482,707</b>   |
| <b>MEDICAL LOSS RATIO</b>   | <b>84.0%</b>       | <b>76.5%</b>       | <b>78.5%</b>       | <b>80.7%</b>       | <b>86.8%</b>       | <b>89.4%</b>       | <b>82.3%</b>         |
| <b>ADMINISTRATIVE EXPENSE RATIO</b>   | <b>6.4%</b>        | <b>6.4%</b>        | <b>6.7%</b>        | <b>6.4%</b>        | <b>6.8%</b>        | <b>6.6%</b>        | <b>6.8%</b>          |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>STATEMENT OF REVENUE, EXPENSES, AND<br>CHANGES IN NET POSITION BY MONTH - PMPM<br>ROLLING 13 MONTHS<br>THROUGH SEPTEMBER 30, 2023 | SEPTEMBER<br>2022 | OCTOBER<br>2022 | NOVEMBER<br>2022 | DECEMBER<br>2022 | JANUARY<br>2023 | FEBRUARY<br>2023 | MARCH<br>2023 |
|--|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|
| <b>ENROLLMENT</b>  |                   |                 |                  |                  |                 |                  |               |
| Members - MCAL   | 325,920           | 329,121         | 331,947          | 336,514          | 332,414         | 349,465          | 351,010       |
| <b>REVENUES</b>  |                   |                 |                  |                  |                 |                  |               |
| Title XIX - Medicaid - Family and Other  | 175.56            | 174.37          | 180.89           | 156.69           | 175.30          | 175.80           | 175.43        |
| Title XIX - Medicaid - Expansion Members   | 338.39            | 334.55          | 344.93           | 323.22           | 373.01          | 369.48           | 365.87        |
| Title XIX - Medicaid - SPD Members   | 911.57            | 926.33          | 919.20           | 897.35           | 1,038.82        | 1,030.33         | 1,029.51      |
| Title XIX - Medicaid - LTC Members   | 0.00              | 0.00            | 0.00             | 0.00             | 7,452.85        | 7,425.81         | 7,477.58      |
| Premium - MCO Tax  | 33.39             | 33.07           | 32.79            | 32.34            | 0.00            | 0.00             | 0.00          |
| Premium - Hospital Directed Payments   | 57.86             | 57.61           | 58.21            | 81.94            | 63.80           | 61.57            | 61.56         |
| Investment Earnings And Other Income   | 1.08              | 0.54            | 2.68             | 2.12             | 4.21            | 1.26             | 6.66          |
| Reinsurance Recoveries   | 0.00              | 0.00            | 0.00             | 0.45             | 0.00            | 0.00             | 0.00          |
| Rate Adjustments - Hospital Directed Payments  | (14.13)           | 0.03            | (0.02)           | 36.99            | (2.06)          | 0.10             | 0.09          |
| Rate/Income Adjustments  | 0.63              | 0.38            | 3.91             | 0.99             | (2.91)          | 1.00             | 3.18          |
| <b>TOTAL REVENUES</b>  | <b>339.60</b>     | <b>351.15</b>   | <b>364.06</b>    | <b>394.67</b>    | <b>341.43</b>   | <b>346.94</b>    | <b>353.49</b> |
| <b>EXPENSES</b>  |                   |                 |                  |                  |                 |                  |               |
| Medical Costs:   |                   |                 |                  |                  |                 |                  |               |
| Physician Services   | 57.14             | 55.21           | 55.68            | 49.56            | 61.07           | 54.91            | 58.82         |
| Other Professional Services  | 15.42             | 15.32           | 16.37            | 18.35            | 16.53           | 15.49            | 17.28         |
| Emergency Room   | 14.65             | 14.56           | 17.12            | 15.10            | 15.63           | 13.26            | 14.81         |
| Inpatient  | 69.95             | 68.25           | 55.47            | 37.42            | 68.11           | 62.39            | 65.52         |
| Reinsurance Expense  | 0.44              | 0.18            | 0.18             | 0.18             | 0.27            | 0.52             | 0.27          |
| Outpatient Hospital  | 28.69             | 28.32           | 26.29            | 27.02            | 28.93           | 27.62            | 32.37         |
| Other Medical  | 48.31             | 49.88           | 49.35            | 19.44            | 46.72           | 65.85            | 65.64         |
| Pay for Performance Quality Incentive  | 1.51              | 1.50            | 1.49             | 1.50             | 1.50            | 1.50             | 1.50          |
| Hospital Directed Payments   | 57.86             | 57.61           | 58.21            | 81.94            | 63.80           | 61.57            | 61.56         |
| Hospital Directed Payment Adjustment   | (12.47)           | 0.03            | (0.02)           | 36.99            | (2.06)          | 0.10             | (2.48)        |
| Non-Claims Expense Adjustment  | 0.03              | (0.76)          | 0.01             | (3.18)           | (0.39)          | 0.01             | 0.21          |
| IBNR, Incentive, Paid Claims Adjustment  | (2.42)            | (1.32)          | (1.32)           | (19.92)          | 0.03            | 0.09             | (11.42)       |
| <b>Total Medical Costs</b>   | <b>279.09</b>     | <b>288.78</b>   | <b>278.84</b>    | <b>268.04</b>    | <b>300.15</b>   | <b>303.30</b>    | <b>304.09</b> |
| <b>GROSS MARGIN</b>  | <b>60.51</b>      | <b>62.37</b>    | <b>85.22</b>     | <b>126.64</b>    | <b>41.28</b>    | <b>43.64</b>     | <b>49.40</b>  |
| Administrative:  |                   |                 |                  |                  |                 |                  |               |
| Compensation   | 9.86              | 10.29           | 9.76             | 13.99            | 10.67           | 9.99             | 10.70         |
| Purchased Services   | 3.06              | 3.07            | 3.12             | 3.75             | 2.83            | 4.43             | 4.32          |
| Supplies   | 0.26              | 0.20            | 0.78             | 0.65             | 0.26            | 0.46             | 0.30          |
| Depreciation   | 1.79              | 1.78            | 1.88             | 1.87             | 2.05            | 1.94             | 1.94          |
| Other Administrative Expenses  | 0.92              | 0.92            | 0.96             | 2.87             | 1.99            | 1.10             | 1.59          |
| Administrative Expense Adjustment  | 1.29              | 0.91            | 0.90             | 1.51             | 0.33            | 0.86             | 0.91          |
| <b>Total Administrative Expenses</b>   | <b>17.18</b>      | <b>17.17</b>    | <b>17.40</b>     | <b>24.64</b>     | <b>18.13</b>    | <b>18.79</b>     | <b>19.76</b>  |
| <b>TOTAL EXPENSES</b>  | <b>296.27</b>     | <b>305.95</b>   | <b>296.24</b>    | <b>292.68</b>    | <b>318.28</b>   | <b>322.10</b>    | <b>323.86</b> |
| <b>OPERATING INCOME (LOSS) BEFORE TAX</b>  | <b>43.33</b>      | <b>45.20</b>    | <b>67.82</b>     | <b>102.00</b>    | <b>23.16</b>    | <b>24.85</b>     | <b>29.64</b>  |
| <b>MCO TAX</b>   | <b>33.39</b>      | <b>33.07</b>    | <b>32.79</b>     | <b>32.34</b>     | <b>0.00</b>     | <b>0.00</b>      | <b>0.00</b>   |
| <b>OPERATING INCOME (LOSS) NET OF TAX</b>  | <b>9.94</b>       | <b>12.13</b>    | <b>35.03</b>     | <b>69.65</b>     | <b>23.16</b>    | <b>24.85</b>     | <b>29.64</b>  |
| <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>  | <b>(0.09)</b>     | <b>(0.02)</b>   | <b>0.01</b>      | <b>(0.10)</b>    | <b>(0.18)</b>   | <b>(0.44)</b>    | <b>(1.92)</b> |
| <b>NET INCREASE (DECREASE) IN NET POSITION</b>   | <b>9.85</b>       | <b>12.12</b>    | <b>35.04</b>     | <b>69.55</b>     | <b>22.98</b>    | <b>24.41</b>     | <b>27.72</b>  |
| <b>MEDICAL LOSS RATIO</b>  | <b>89.0%</b>      | <b>88.7%</b>    | <b>80.8%</b>     | <b>61.3%</b>     | <b>85.2%</b>    | <b>84.7%</b>     | <b>84.0%</b>  |
| <b>ADMINISTRATIVE EXPENSE RATIO</b>  | <b>6.5%</b>       | <b>6.6%</b>     | <b>6.4%</b>      | <b>10.1%</b>     | <b>6.5%</b>     | <b>6.6%</b>      | <b>6.8%</b>   |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>STATEMENT OF REVENUE, EXPENSES, AND<br>CHANGES IN NET POSITION BY MONTH - PMPM<br>ROLLING 13 MONTHS<br>THROUGH SEPTEMBER 30, 2023 | APRIL<br>2023 | MAY<br>2023   | JUNE<br>2023  | JULY<br>2023  | AUGUST<br>2023 | SEPTEMBER<br>2023 | 13 MONTH<br>TOTAL |
|--|---------------|---------------|---------------|---------------|----------------|-------------------|-------------------|
| <b>ENROLLMENT</b>  |               |               |               |               |                |                   |                   |
| Members - MCAL   | 353,005       | 355,915       | 357,008       | 356,115       | 356,993        | 352,134           | 4,487,561         |
| <b>REVENUES</b>  |               |               |               |               |                |                   |                   |
| Title XIX - Medicaid - Family and Other  | 177.53        | 187.74        | 190.94        | 195.08        | 177.66         | 185.02            | 178.95            |
| Title XIX - Medicaid - Expansion Members   | 367.09        | 381.03        | 383.36        | 409.60        | 390.36         | 385.48            | 363.46            |
| Title XIX - Medicaid - SPD Members   | 1,052.05      | 1,037.24      | 1,052.72      | 1,127.03      | 1,110.24       | 1,081.04          | 1,009.16          |
| Title XIX - Medicaid - LTC Members   | 7,440.11      | 7,546.20      | 7,506.64      | 7,445.89      | 7,530.99       | 7,892.88          | 7,489.01          |
| Premium - MCO Tax  | 0.00          | 0.00          | 0.00          | 0.00          | 0.00           | 0.00              | 9.70              |
| Premium - Hospital Directed Payments   | 62.18         | 61.23         | 62.15         | 61.28         | 61.44          | 61.91             | 62.51             |
| Investment Earnings And Other Income   | 3.72          | 1.83          | 4.16          | 4.79          | 3.64           | 4.09              | 3.17              |
| Reinsurance Recoveries   | 0.00          | 0.00          | 0.00          | 0.00          | 0.00           | 0.00              | 0.03              |
| Rate Adjustments - Hospital Directed Payments  | 0.11          | 0.02          | 0.04          | (0.04)        | 1.18           | 0.40              | 1.74              |
| Rate/Income Adjustments  | 2.77          | 4.21          | 0.60          | 0.00          | (0.11)         | 6.32              | 1.63              |
| <b>TOTAL REVENUES</b>  | <b>353.94</b> | <b>361.73</b> | <b>366.69</b> | <b>367.53</b> | <b>349.87</b>  | <b>370.63</b>     | <b>358.69</b>     |
| <b>EXPENSES</b>  |               |               |               |               |                |                   |                   |
| Medical Costs:   |               |               |               |               |                |                   |                   |
| Physician Services   | 60.23         | 61.10         | 61.33         | 57.53         | 57.76          | 60.52             | 57.81             |
| Other Professional Services  | 16.21         | 18.67         | 19.15         | 15.28         | 19.13          | 18.15             | 17.05             |
| Emergency Room   | 14.91         | 14.42         | 15.56         | 14.00         | 15.69          | 16.17             | 15.06             |
| Inpatient  | 67.93         | 60.08         | 53.49         | 62.67         | 58.48          | 70.22             | 61.52             |
| Reinsurance Expense  | 0.27          | 0.27          | 0.27          | 0.27          | 0.27           | 0.27              | 0.28              |
| Outpatient Hospital  | 30.84         | 30.93         | 29.57         | 28.74         | 29.73          | 31.69             | 29.32             |
| Other Medical  | 65.01         | 62.24         | 71.78         | 63.46         | 65.52          | 74.96             | 57.89             |
| Pay for Performance Quality Incentive  | 1.50          | 1.50          | 1.50          | 1.50          | 1.50           | 1.50              | 1.50              |
| Hospital Directed Payments   | 62.18         | 61.23         | 62.15         | 61.28         | 61.44          | 61.91             | 62.51             |
| Hospital Directed Payment Adjustment   | 0.11          | 0.35          | 0.04          | (0.04)        | 1.20           | (1.20)            | 1.57              |
| Non-Claims Expense Adjustment  | 0.50          | (6.88)        | 0.01          | 1.80          | 0.01           | 0.15              | (0.65)            |
| IBNR, Incentive, Paid Claims Adjustment  | (12.55)       | (12.56)       | (13.53)       | 1.99          | 1.23           | 1.99              | (5.40)            |
| Total Medical Costs  | 307.13        | 291.34        | 301.33        | 308.47        | 311.96         | 336.33            | 298.47            |
| <b>GROSS MARGIN</b>  | <b>46.80</b>  | <b>70.40</b>  | <b>65.36</b>  | <b>59.06</b>  | <b>37.91</b>   | <b>34.30</b>      | <b>60.22</b>      |
| Administrative:  |               |               |               |               |                |                   |                   |
| Compensation   | 10.24         | 10.66         | 10.14         | 10.51         | 11.30          | 11.46             | 10.74             |
| Purchased Services   | 4.20          | 4.30          | 5.22          | 4.09          | 3.88           | 5.04              | 3.97              |
| Supplies   | 0.32          | 0.38          | 0.09          | 0.55          | 1.11           | 0.60              | 0.46              |
| Depreciation   | 1.94          | 1.93          | 1.92          | 1.93          | 1.94           | 1.97              | 1.91              |
| Other Administrative Expenses  | 1.25          | 1.24          | 1.58          | 1.75          | 1.22           | 1.24              | 1.43              |
| Administrative Expense Adjustment  | 0.85          | 0.85          | 1.40          | 0.84          | 0.04           | 0.00              | 0.82              |
| Total Administrative Expenses  | 18.80         | 19.35         | 20.35         | 19.67         | 19.49          | 20.31             | 19.33             |
| <b>TOTAL EXPENSES</b>  | <b>325.93</b> | <b>310.68</b> | <b>321.68</b> | <b>328.14</b> | <b>331.45</b>  | <b>356.64</b>     | <b>317.80</b>     |
| <b>OPERATING INCOME (LOSS) BEFORE TAX</b>  | <b>28.00</b>  | <b>51.05</b>  | <b>45.02</b>  | <b>39.39</b>  | <b>18.42</b>   | <b>13.99</b>      | <b>40.89</b>      |
| MCO TAX  | 0.00          | 0.00          | 0.00          | 0.00          | 0.00           | 0.00              | 9.70              |
| <b>OPERATING INCOME (LOSS) NET OF TAX</b>  | <b>28.00</b>  | <b>51.05</b>  | <b>45.02</b>  | <b>39.39</b>  | <b>18.42</b>   | <b>13.99</b>      | <b>31.19</b>      |
| <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>  | <b>(0.88)</b> | <b>(0.84)</b> | <b>(1.88)</b> | <b>(0.86)</b> | <b>(1.28)</b>  | <b>(1.37)</b>     | <b>(0.78)</b>     |
| <b>NET INCREASE (DECREASE) IN NET POSITION</b>   | <b>27.12</b>  | <b>50.21</b>  | <b>43.13</b>  | <b>38.52</b>  | <b>17.14</b>   | <b>12.62</b>      | <b>30.41</b>      |
| <b>MEDICAL LOSS RATIO</b>  | <b>84.0%</b>  | <b>76.5%</b>  | <b>78.5%</b>  | <b>80.7%</b>  | <b>86.8%</b>   | <b>89.4%</b>      | <b>82.3%</b>      |
| <b>ADMINISTRATIVE EXPENSE RATIO</b>  | <b>6.4%</b>   | <b>6.4%</b>   | <b>6.7%</b>   | <b>6.4%</b>   | <b>6.8%</b>    | <b>6.6%</b>       | <b>6.8%</b>       |



| CURRENT MONTH                                    |            |             | KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF REVENUES - ALL COA<br>FOR THE MONTH ENDED SEPTEMBER 30, 2023 | YEAR-TO-DATE       |                    |                    |
|--|------------|-------------|---|--------------------|--------------------|--------------------|
| ACTUAL   | BUDGET     | VARIANCE    |   | ACTUAL             | BUDGET             | VARIANCE           |
| <b>REVENUES</b>                                  |            |             |   |                    |                    |                    |
| <b>Title XIX - Medicaid - Family &amp; Other</b> |            |             |   |                    |                    |                    |
| 35,451,393                                       | 34,271,754 | 1,179,639   | Premium - Medi-Cal  | 304,909,096        | 306,459,622        | (1,550,526)        |
| 3,145,695  | 2,782,482  | 363,213     | Premium - Maternity Kick  | 23,460,205         | 25,042,338         | (1,582,133)        |
| 665,703  | 683,227    | (17,524)    | Premium - Enhanced Care Management  | 5,859,606          | 6,020,757          | (161,151)          |
| 224,474  | 154,383    | 70,091      | Premium - Major Organ Transplant  | 1,896,545          | 1,391,098          | 505,447            |
| -  | 522,055    | (522,055)   | Premium - Cal AIM   | 4,521,000          | 4,669,543          | (148,543)          |
| 3,562,942  | 3,642,188  | (79,246)    | Premium - Provider Enhancement  | 32,319,378         | 32,996,402         | (677,024)          |
| 160,810  | 186,206    | (25,396)    | Premium - Ground Emergency Medical Transportation   | 1,496,258          | 1,687,568          | (191,310)          |
| -  | 245,400    | (245,400)   | Premium - Student Behavioral Health Incentive   | 3,571,473          | 2,208,600          | 1,362,873          |
| -  | 352,514    | (352,514)   | Premium - Housing and Homelessness Incentive  | 3,487,489          | 3,172,626          | 314,863            |
| 117,802  | 117,161    | 641         | Other   | 1,046,132          | 1,067,252          | (21,120)           |
| 43,328,819                                       | 42,957,369 | 371,450     | <b>Total Title XIX - Medicaid - Family &amp; Other</b>  | <b>382,567,182</b> | <b>384,715,805</b> | <b>(2,148,623)</b> |
| <b>Title XIX - Medicaid - Expansion Members</b>  |            |             |   |                    |                    |                    |
| 34,843,108                                       | 29,938,493 | 4,904,616   | Premium - Medi-Cal  | 298,168,040        | 272,879,140        | 25,288,901         |
| 511,548  | 236,486    | 275,062     | Premium - Maternity Kick  | 4,972,437          | 2,128,373          | 2,844,064          |
| 810,683  | 938,448    | (127,765)   | Premium - Enhanced Care Management  | 7,271,670          | 8,555,106          | (1,283,436)        |
| 340,640  | 234,384    | 106,256     | Premium - Major Organ Transplant  | 2,999,630          | 2,136,698          | 862,932            |
| -  | 407,564    | (407,564)   | Premium - Cal AIM   | 1,932,701          | 13,010,815         | (11,078,114)       |
| 1,716,472  | 1,553,206  | 163,266     | Premium - Provider Enhancement  | 15,414,866         | 3,197,338          | 12,217,528         |
| 231,375  | 202,575    | 28,800      | Premium - Ground Emergency Medical Transportation   | 2,139,894          | 1,769,815          | 370,079            |
| -  | 195,905    | (195,905)   | Premium - Student Behavioral Health Incentive   | 1,511,801          | 2,447,225          | (935,424)          |
| -  | 281,415    | (281,415)   | Premium - Housing and Homelessness Incentive  | 1,478,208          | 547,887            | 930,321            |
| 36,176   | 32,832     | 3,344       | Other   | 324,134            | 266,256            | 57,878             |
| 38,490,002                                       | 34,021,307 | 4,468,695   | <b>Total Title XIX - Medicaid - Expansion Members</b>   | <b>336,213,381</b> | <b>306,938,652</b> | <b>29,274,729</b>  |
| <b>Title XIX - Medicaid - SPD Members</b>        |            |             |   |                    |                    |                    |
| 18,576,931                                       | 18,423,576 | 153,355     | Premium - Medi-Cal  | 160,571,383        | 166,957,153        | (6,385,770)        |
| 416,429  | 506,043    | (89,614)    | Premium - Enhanced Care Management  | 3,771,580          | 4,585,836          | (814,256)          |
| 272,553  | 160,893    | 111,660     | Premium - Major Organ Transplant  | 2,238,578          | 1,458,036          | 780,542            |
| -  | 251,415    | (251,415)   | Premium - Cal AIM   | 353,436            | 2,316,506          | (1,963,070)        |
| 532,426  | 458,419    | 74,007      | Premium - Provider Enhancement  | 4,697,471          | 4,154,256          | 543,215            |
| 139,363  | 141,777    | (2,414)     | Premium - Ground Emergency Medical Transportation   | 1,277,706          | 1,284,804          | (7,098)            |
| -  | 119,827    | (119,827)   | Premium - Student Behavioral Health Incentive   | 283,059            | 1,078,443          | (795,384)          |
| -  | 172,130    | (172,130)   | Premium - Housing and Homelessness Incentive  | 271,001            | 1,549,170          | (1,278,169)        |
| 19,937,702                                       | 20,234,080 | (296,378)   | <b>Total Title XIX - Medicaid - SPD Members</b>   | <b>173,464,214</b> | <b>183,384,204</b> | <b>(9,919,990)</b> |
| <b>Title XIX - Medicaid - LTC Members</b>        |            |             |   |                    |                    |                    |
| 3,127,743  | 4,530,470  | (1,402,727) | Premium - Medi-Cal  | 24,025,342         | 29,427,670         | (5,402,328)        |
| 9,541  | 14,512     | (4,971)     | Premium - Enhanced Care Management  | 73,105             | 94,486             | (21,381)           |
| 11,168   | 21,119     | (9,951)     | Premium - Major Organ Transplant  | 87,237             | 138,632            | (51,395)           |
| -  | -          | -           | Premium - Cal AIM   | 7,846              | -                  | 7,846              |
| 150  | 343        | (193)       | Premium - Provider Enhancement  | 1,418              | 2,744              | (1,326)            |
| 658  | -          | 658         | Premium - Ground Emergency Medical Transportation   | 5,049              | -                  | 5,049              |
| -  | -          | -           | Premium - Student Behavioral Health Incentive   | 6,072              | -                  | 6,072              |
| -  | -          | -           | Premium - Housing and Homelessness Incentive  | 5,907              | -                  | 5,907              |
| 3,149,260  | 4,566,444  | (1,417,184) | <b>Total Title XIX - Medicaid - LTC Members</b>   | <b>24,211,976</b>  | <b>29,663,532</b>  | <b>(5,451,556)</b> |

| CURRENT MONTH |             |             | KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF MEDICAL COSTS - ALL COA<br>FOR THE MONTH ENDED SEPTEMBER 30, 2023 | YEAR-TO-DATE |               |             |
|---------------|-------------|-------------|--|--------------|---------------|-------------|
| ACTUAL        | BUDGET      | VARIANCE    |  | ACTUAL       | BUDGET        | VARIANCE    |
|               |             |             | <b>PHYSICIAN SERVICES</b>  |              |               |             |
| 3,960,025     | 4,424,712   | 464,687     | Primary Care Physician Services  | 36,759,645   | 39,885,875    | 3,126,230   |
| 14,834,237    | 14,476,010  | (358,227)   | Referral Specialty Services  | 131,524,933  | 130,841,372   | (683,561)   |
| 2,508,710     | 2,541,403   | 32,693      | Urgent Care & After Hours Advise   | 19,096,722   | 22,908,768    | 3,812,046   |
| 9,000         | 9,000       | -           | Hospital Admitting Team  | 81,900       | 81,900        | -           |
| 21,311,972    | 21,451,125  | 139,153     | <b>TOTAL PHYSICIAN SERVICES</b>  | 187,463,200  | 193,717,915   | 6,254,715   |
|               |             |             | <b>OTHER PROFESSIONAL SERVICES</b>   |              |               |             |
| 355,222       | 355,396     | 174         | Vision Service Capitation  | 3,149,419    | 3,202,629     | 53,210      |
| 2,664,174     | 2,804,617   | 140,443     | Medical Departments - UM Allocation *  | 19,691,008   | 25,241,550    | 5,550,542   |
| 1,969,644     | 1,453,080   | (516,564)   | Behavior Health Treatment  | 16,163,339   | 13,093,593    | (3,069,746) |
| 209,930       | 434,204     | 224,274     | Mental Health Services   | 2,277,568    | 3,919,348     | 1,641,780   |
| 1,192,117     | 1,885,752   | 693,635     | Other Professional Services  | 13,560,888   | 17,045,950    | 3,485,062   |
| 6,391,087     | 6,933,050   | 541,963     | <b>TOTAL OTHER PROFESSIONAL SERVICES</b>   | 54,842,222   | 62,503,070    | 7,660,848   |
| 5,694,566     | 5,745,856   | 51,290      | <b>EMERGENCY ROOM</b>  | 47,257,698   | 51,875,957    | 4,618,259   |
| 24,726,100    | 23,473,816  | (1,252,284) | <b>INPATIENT HOSPITAL</b>  | 199,822,840  | 212,393,003   | 12,570,163  |
| 95,910        | 76,464      | (19,446)    | <b>REINSURANCE EXPENSE PREMIUM</b>   | 941,035      | 689,044       | (251,991)   |
| 11,158,217    | 10,454,866  | (703,351)   | <b>OUTPATIENT HOSPITAL SERVICES</b>  | 95,091,101   | 93,910,012    | (1,181,089) |
|               |             |             | <b>OTHER MEDICAL</b>   |              |               |             |
| 3,325,205     | 1,649,342   | (1,675,863) | Ambulance and NEMT   | 20,507,464   | 14,870,529    | (5,636,935) |
| 721,387       | 1,001,007   | 279,620     | Home Health Services & CBAS  | 6,374,151    | 9,052,672     | 2,678,521   |
| 668,619       | 1,592,010   | 923,391     | Utilization and Quality Review Expenses  | 9,412,628    | 14,328,087    | 4,915,459   |
| 9,336,639     | 10,135,325  | 798,686     | Long Term/SNF/Hospice  | 62,373,983   | 82,449,008    | 20,075,025  |
| 5,521,458     | 5,347,061   | (174,397)   | Provider Enhancement Expense - Prop. 56  | 49,811,476   | 48,211,766    | (1,599,710) |
| 684,302       | 504,030     | (180,272)   | Provider Enhancement Expense - GEMT  | 5,502,074    | 4,578,125     | (923,949)   |
| 1,974,662     | 2,035,118   | 60,456      | Enhanced Care Management   | 17,635,982   | 18,293,372    | 657,390     |
| 817,599       | 542,240     | (275,359)   | Major Organ Transplant   | 6,872,096    | 4,868,241     | (2,003,855) |
| 2,057,802     | 2,420,814   | 363,012     | Cal AIM Incentive Programs   | 14,531,127   | 21,888,026    | 7,356,899   |
| 1,288,687     | 1,060,880   | (227,807)   | DME/Rebates  | 11,674,142   | 9,592,849     | (2,081,293) |
| 26,396,360    | 26,287,826  | (108,534)   | <b>TOTAL OTHER MEDICAL</b>   | 204,695,123  | 228,132,675   | 23,437,552  |
| 529,365       | 520,372     | (8,993)     | <b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>   | 4,745,645    | 4,691,727     | (53,918)    |
| 21,801,472    | 20,871,186  | (930,286)   | <b>HOSPITAL DIRECTED PAYMENTS</b>  | 195,822,185  | 189,278,222   | (6,543,963) |
| (423,787)     | -           | 423,787     | <b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>  | (1,354,856)  | -             | 1,354,856   |
| 52,429        | -           | (52,429)    | <b>NON-CLAIMS EXPENSE ADJUSTMENT</b>   | (1,625,286)  | -             | 1,625,286   |
| 701,159       | -           | (701,159)   | <b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>   | (15,853,078) | -             | 15,853,078  |
| 118,434,850   | 115,814,560 | (2,620,290) | <b>Total Medical Costs</b>   | 971,847,829  | 1,037,191,625 | 65,343,796  |

\* Medical costs per DMHC regulations

| CURRENT MONTH |               |               | KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM<br>FOR THE MONTH ENDED SEPTEMBER 30, 2023 | YEAR-TO-DATE  |               |               |
|---------------|---------------|---------------|---|---------------|---------------|---------------|
| ACTUAL        | BUDGET        | VARIANCE      |   | ACTUAL        | BUDGET        | VARIANCE      |
|               |               |               | <b>PHYSICIAN SERVICES</b>   |               |               |               |
| 11.25         | 12.75         | 1.50          | Primary Care Physician Services   | 11.62         | 12.75         | 1.14          |
| 42.13         | 41.71         | (0.42)        | Referral Specialty Services   | 41.57         | 41.84         | 0.27          |
| 7.12          | 7.32          | 0.20          | Urgent Care & After Hours Advise  | 6.04          | 7.33          | 1.29          |
| 0.03          | 0.03          | 0.00          | Hospital Admitting Team   | 0.03          | 0.03          | 0.00          |
| <b>60.52</b>  | <b>61.81</b>  | <b>1.29</b>   | <b>TOTAL PHYSICIAN SERVICES</b>   | <b>59.25</b>  | <b>61.94</b>  | <b>2.69</b>   |
|               |               |               | <b>OTHER PROFESSIONAL SERVICES</b>  |               |               |               |
| 1.01          | 1.02          | 0.02          | Vision Service Capitation   | 1.00          | 1.02          | 0.03          |
| 7.57          | 8.08          | 0.52          | Medical Departments - UM Allocation *   | 6.22          | 8.07          | 1.85          |
| 5.59          | 4.19          | (1.41)        | Behavior Health Treatment   | 5.11          | 4.19          | (0.92)        |
| 0.60          | 1.25          | 0.65          | Mental Health Services  | 0.72          | 1.25          | 0.53          |
| 3.39          | 5.43          | 2.05          | Other Professional Services   | 4.29          | 5.45          | 1.16          |
| <b>18.15</b>  | <b>19.98</b>  | <b>1.83</b>   | <b>TOTAL OTHER PROFESSIONAL SERVICES</b>  | <b>17.33</b>  | <b>19.99</b>  | <b>2.65</b>   |
| <b>16.17</b>  | <b>16.56</b>  | <b>0.38</b>   | <b>EMERGENCY ROOM</b>   | <b>14.94</b>  | <b>16.59</b>  | <b>1.65</b>   |
| <b>70.22</b>  | <b>67.64</b>  | <b>(2.58)</b> | <b>INPATIENT HOSPITAL</b>   | <b>63.15</b>  | <b>67.91</b>  | <b>4.76</b>   |
| <b>0.27</b>   | <b>0.22</b>   | <b>(0.05)</b> | <b>REINSURANCE EXPENSE PREMIUM</b>  | <b>0.30</b>   | <b>0.22</b>   | <b>(0.08)</b> |
| <b>31.69</b>  | <b>30.12</b>  | <b>(1.56)</b> | <b>OUTPATIENT HOSPITAL SERVICES</b>   | <b>30.05</b>  | <b>30.03</b>  | <b>(0.03)</b> |
|               |               |               | <b>OTHER MEDICAL</b>  |               |               |               |
| 9.44          | 4.75          | (4.69)        | Ambulance and NEMT  | 6.48          | 4.75          | (1.73)        |
| 2.05          | 2.88          | 0.84          | Home Health Services & CBAS   | 2.01          | 2.89          | 0.88          |
| 1.90          | 4.59          | 2.69          | Utilization and Quality Review Expenses   | 2.97          | 4.58          | 1.61          |
| 26.51         | 29.20         | 2.69          | Long Term/SNF/Hospice   | 19.71         | 26.36         | 6.65          |
| 15.68         | 15.41         | (0.27)        | Provider Enhancement Expense - Prop. 56   | 15.74         | 15.42         | (0.33)        |
| 1.94          | 1.45          | (0.49)        | Provider Enhancement Expense - GEMT   | 1.74          | 1.46          | (0.28)        |
| 5.61          | 5.86          | 0.26          | Enhanced Care Management  | 5.57          | 5.85          | 0.28          |
| 2.32          | 1.56          | (0.76)        | Major Organ Transplant  | 2.17          | 1.56          | (0.62)        |
| 5.84          | 6.98          | 1.13          | Cal AIM Incentive Programs  | 4.59          | 7.00          | 2.41          |
| 3.66          | 3.06          | (0.60)        | DME   | 3.69          | 3.07          | (0.62)        |
| <b>74.96</b>  | <b>75.75</b>  | <b>0.79</b>   | <b>TOTAL OTHER MEDICAL</b>  | <b>64.69</b>  | <b>72.95</b>  | <b>8.25</b>   |
| <b>1.50</b>   | <b>1.50</b>   | <b>(0.00)</b> | <b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>  | <b>1.50</b>   | <b>1.50</b>   | <b>0.00</b>   |
| <b>61.91</b>  | <b>60.14</b>  | <b>(1.77)</b> | <b>HOSPITAL DIRECTED PAYMENTS</b>   | <b>61.89</b>  | <b>60.52</b>  | <b>(1.37)</b> |
| <b>(1.20)</b> | <b>0.00</b>   | <b>1.20</b>   | <b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>   | <b>(0.43)</b> | <b>0.00</b>   | <b>0.43</b>   |
| <b>0.15</b>   | <b>0.00</b>   | <b>(0.15)</b> | <b>NON-CLAIMS EXPENSE ADJUSTMENT</b>  | <b>(0.51)</b> | <b>0.00</b>   | <b>0.51</b>   |
| <b>1.99</b>   | <b>0.00</b>   | <b>(1.99)</b> | <b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>  | <b>(5.01)</b> | <b>0.00</b>   | <b>5.01</b>   |
| <b>336.33</b> | <b>333.71</b> | <b>(2.62)</b> | <b>Total Medical Costs</b>  | <b>307.15</b> | <b>331.65</b> | <b>24.49</b>  |

\* Medical costs per DMHC regulations

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF MEDICAL COSTS BY MONTH<br>FOR THE MONTH ENDED SEPTEMBER 30, 2023 | JANUARY<br>2023   | FEBRUARY<br>2023   | MARCH<br>2023      | APRIL<br>2023      | MAY<br>2023        | JUNE<br>2023       | JULY<br>2023       | AUGUST<br>2023     | SEPTEMBER<br>2023  | YEAR TO<br>DATE<br>2023 |
|---|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------------|
| <b>PHYSICIAN SERVICES</b>   |                   |                    |                    |                    |                    |                    |                    |                    |                    |                         |
| Primary Care Physician Services   | 4,153,283         | 3,799,063          | 3,973,992          | 4,241,474          | 4,159,263          | 4,419,579          | 4,057,408          | 3,995,558          | 3,960,025          | 36,759,645              |
| Referral Specialty Services   | 14,090,583        | 13,535,172         | 14,603,368         | 14,737,274         | 15,505,030         | 15,425,047         | 14,306,450         | 14,487,772         | 14,834,237         | 131,524,933             |
| Urgent Care & After Hours Advise  | 2,048,906         | 1,845,306          | 2,061,385          | 2,274,974          | 2,073,703          | 2,041,968          | 2,114,951          | 2,126,819          | 2,508,710          | 19,096,722              |
| Hospital Admitting Team   | 9,300             | 8,400              | 9,300              | 9,000              | 9,300              | 9,000              | 9,300              | 9,300              | 9,000              | 81,900                  |
| <b>TOTAL PHYSICIAN SERVICES</b>   | <b>20,302,072</b> | <b>19,187,941</b>  | <b>20,648,045</b>  | <b>21,262,722</b>  | <b>21,747,296</b>  | <b>21,895,594</b>  | <b>20,488,109</b>  | <b>20,619,449</b>  | <b>21,311,972</b>  | <b>187,463,200</b>      |
| <b>OTHER PROFESSIONAL SERVICES</b>  |                   |                    |                    |                    |                    |                    |                    |                    |                    |                         |
| Vision Service Capitation   | 332,837           | 342,049            | 345,365            | 351,010            | 353,005            | 355,915            | 355,915            | 358,101            | 355,222            | 3,149,419               |
| Medical Departments - UM Allocation *   | 2,029,340         | 1,998,969          | 2,193,964          | 1,979,088          | 2,088,352          | 2,418,747          | 2,070,475          | 2,247,899          | 2,664,174          | 19,691,008              |
| Behavior Health Treatment   | 1,234,423         | 1,340,804          | 1,751,711          | 1,545,908          | 2,409,753          | 2,090,128          | 1,277,790          | 2,543,178          | 1,969,644          | 16,163,339              |
| Mental Health Services  | 378,598           | 277,029            | 277,573            | 229,037            | 195,793            | 258,806            | 246,684            | 204,118            | 209,930            | 2,277,568               |
| Other Professional Services   | 1,518,707         | 1,454,787          | 1,498,555          | 1,615,756          | 1,596,694          | 1,714,577          | 1,492,287          | 1,477,408          | 1,192,117          | 13,560,888              |
| <b>TOTAL OTHER PROFESSIONAL SERVICES</b>  | <b>5,493,905</b>  | <b>5,413,638</b>   | <b>6,067,168</b>   | <b>5,720,799</b>   | <b>6,643,597</b>   | <b>6,838,173</b>   | <b>5,443,151</b>   | <b>6,830,704</b>   | <b>6,391,087</b>   | <b>54,842,222</b>       |
| <b>EMERGENCY ROOM</b>   | <b>5,195,994</b>  | <b>4,633,288</b>   | <b>5,199,635</b>   | <b>5,262,548</b>   | <b>5,131,679</b>   | <b>5,555,164</b>   | <b>4,984,270</b>   | <b>5,600,554</b>   | <b>5,694,566</b>   | <b>47,257,698</b>       |
| <b>INPATIENT HOSPITAL</b>   | <b>22,641,712</b> | <b>21,804,027</b>  | <b>22,997,133</b>  | <b>23,980,922</b>  | <b>21,382,030</b>  | <b>19,096,686</b>  | <b>22,316,634</b>  | <b>20,877,596</b>  | <b>24,726,100</b>  | <b>199,822,840</b>      |
| REINSURANCE EXPENSE PREMIUM   | 90,859            | 180,937            | 94,363             | 94,773             | 95,311             | 96,097             | 96,097             | 96,688             | 95,910             | 941,035                 |
| <b>OUTPATIENT HOSPITAL SERVICES</b>   | <b>9,616,781</b>  | <b>9,652,797</b>   | <b>11,362,056</b>  | <b>10,886,974</b>  | <b>11,009,988</b>  | <b>10,557,328</b>  | <b>10,233,407</b>  | <b>10,613,553</b>  | <b>11,158,217</b>  | <b>95,091,101</b>       |
| <b>OTHER MEDICAL</b>  |                   |                    |                    |                    |                    |                    |                    |                    |                    |                         |
| Ambulance and NEMT  | 1,792,123         | 1,754,080          | 2,159,726          | 2,210,825          | 2,254,991          | 2,412,744          | 2,238,756          | 2,359,014          | 3,325,205          | 20,507,464              |
| Home Health Services & CBAS   | 970,272           | 809,536            | 996,283            | 547,188            | 451,622            | 374,989            | 586,872            | 916,002            | 721,387            | 6,374,151               |
| Utilization and Quality Review Expenses   | 776,558           | 583,384            | 940,138            | 1,342,680          | 785,929            | 1,393,601          | 788,697            | 2,133,022          | 668,619            | 9,412,628               |
| Long Term/SNF/Hospice   | 2,732,047         | 9,988,072          | 8,775,140          | 8,087,627          | 4,695,700          | 8,480,647          | 6,335,360          | 3,942,751          | 9,336,639          | 62,373,983              |
| Provider Enhancement Expense - Prop. 56   | 5,430,893         | 5,482,690          | 5,503,401          | 5,566,537          | 5,561,460          | 5,630,380          | 5,547,690          | 5,566,967          | 5,521,458          | 49,811,476              |
| Provider Enhancement Expense - GEMT   | 496,477           | 513,773            | 505,452            | 469,079            | 562,775            | 502,239            | 899,077            | 868,900            | 684,302            | 5,502,074               |
| Enhanced Care Management  | 1,428,973         | 1,778,842          | 1,790,813          | 1,814,108          | 1,811,803          | 2,586,249          | 1,717,288          | 2,733,244          | 1,974,662          | 17,635,982              |
| Major Organ Transplant  | 751,183           | 712,804            | 753,883            | 766,976            | 758,618            | 774,606            | 765,681            | 770,746            | 817,599            | 6,872,096               |
| Cal AIM Incentive Programs  | 30,326            | 279,307            | 295,429            | 917,196            | 3,833,523          | 2,195,256          | 2,372,608          | 2,549,680          | 2,057,802          | 14,531,127              |
| DME   | 1,119,968         | 1,108,882          | 1,320,219          | 1,226,194          | 1,435,049          | 1,275,704          | 1,348,779          | 1,550,660          | 1,288,687          | 11,674,142              |
| <b>TOTAL OTHER MEDICAL</b>  | <b>15,528,820</b> | <b>23,011,370</b>  | <b>23,040,484</b>  | <b>22,948,410</b>  | <b>22,151,470</b>  | <b>25,626,415</b>  | <b>22,600,808</b>  | <b>23,390,986</b>  | <b>26,396,360</b>  | <b>204,695,123</b>      |
| <b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>  | <b>498,590</b>    | <b>524,238</b>     | <b>526,516</b>     | <b>529,507</b>     | <b>533,873</b>     | <b>533,872</b>     | <b>535,512</b>     | <b>534,172</b>     | <b>529,365</b>     | <b>4,745,645</b>        |
| <b>HOSPITAL DIRECTED PAYMENTS</b>   | <b>21,209,673</b> | <b>21,515,947</b>  | <b>21,609,701</b>  | <b>21,948,157</b>  | <b>21,792,771</b>  | <b>22,188,234</b>  | <b>21,822,439</b>  | <b>21,933,791</b>  | <b>21,801,472</b>  | <b>195,822,185</b>      |
| <b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>   | <b>(684,297)</b>  | <b>33,520</b>      | <b>(869,333)</b>   | <b>37,816</b>      | <b>123,932</b>     | <b>15,555</b>      | <b>(15,187)</b>    | <b>426,925</b>     | <b>(423,787)</b>   | <b>(1,354,856)</b>      |
| <b>NON-CLAIMS EXPENSE ADJUSTMENT</b>  | <b>(128,832)</b>  | <b>3,429</b>       | <b>72,961</b>      | <b>177,517</b>     | <b>(2,449,080)</b> | <b>3,040</b>       | <b>639,578</b>     | <b>3,672</b>       | <b>52,429</b>      | <b>(1,625,286)</b>      |
| <b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>  | <b>9,076</b>      | <b>32,166</b>      | <b>(4,009,312)</b> | <b>(4,430,362)</b> | <b>(4,472,016)</b> | <b>(4,829,330)</b> | <b>707,021</b>     | <b>438,520</b>     | <b>701,159</b>     | <b>(15,853,078)</b>     |
| <b>Total Medical Costs</b>  | <b>99,774,353</b> | <b>105,993,298</b> | <b>106,739,417</b> | <b>108,419,783</b> | <b>103,690,851</b> | <b>107,576,828</b> | <b>109,851,839</b> | <b>111,366,610</b> | <b>118,434,850</b> | <b>971,847,829</b>      |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM<br>FOR THE MONTH ENDED SEPTEMBER 30, 2023 | JANUARY<br>2023 | FEBRUARY<br>2023 | MARCH<br>2023  | APRIL<br>2023  | MAY<br>2023    | JUNE<br>2023   | JULY<br>2023  | AUGUST<br>2023 | SEPTEMBER<br>2023 | YEAR TO<br>DATE<br>2023 |
|--|-----------------|------------------|----------------|----------------|----------------|----------------|---------------|----------------|-------------------|-------------------------|
| <b>PHYSICIAN SERVICES</b>  |                 |                  |                |                |                |                |               |                |                   |                         |
| Primary Care Physician Services  | 12.49           | 10.87            | 11.32          | 12.02          | 11.69          | 12.38          | 11.39         | 11.19          | 11.25             | 11.62                   |
| Referral Specialty Services  | 42.39           | 38.73            | 41.60          | 41.75          | 43.56          | 43.21          | 40.17         | 40.58          | 42.13             | 41.57                   |
| Urgent Care & After Hours Advise   | 6.16            | 5.28             | 5.87           | 6.44           | 5.83           | 5.72           | 5.94          | 5.96           | 7.12              | 6.04                    |
| Hospital Admitting Team  | 0.03            | 0.02             | 0.03           | 0.03           | 0.03           | 0.03           | 0.03          | 0.03           | 0.03              | 0.03                    |
| <b>TOTAL PHYSICIAN SERVICES</b>  | <b>61.07</b>    | <b>54.91</b>     | <b>58.82</b>   | <b>60.23</b>   | <b>61.10</b>   | <b>61.33</b>   | <b>57.53</b>  | <b>57.76</b>   | <b>60.52</b>      | <b>59.25</b>            |
| <b>OTHER PROFESSIONAL SERVICES</b>   |                 |                  |                |                |                |                |               |                |                   |                         |
| Vision Service Capitation  | 1.00            | 0.98             | 0.98           | 0.99           | 0.99           | 1.00           | 1.00          | 1.00           | 1.01              | 1.00                    |
| Medical Departments - UM Allocation *  | 6.10            | 5.72             | 6.25           | 5.61           | 5.87           | 6.78           | 5.81          | 6.30           | 7.57              | 6.22                    |
| Behavior Health Treatment  | 3.71            | 3.84             | 4.99           | 4.38           | 6.77           | 5.85           | 3.59          | 7.12           | 5.59              | 5.11                    |
| Mental Health Services   | 1.14            | 0.79             | 0.79           | 0.65           | 0.55           | 0.72           | 0.69          | 0.57           | 0.60              | 0.72                    |
| Other Professional Services  | 4.57            | 4.16             | 4.27           | 4.58           | 4.49           | 4.80           | 4.19          | 4.14           | 3.39              | 4.29                    |
| <b>TOTAL OTHER PROFESSIONAL SERVICES</b>   | <b>16.53</b>    | <b>15.49</b>     | <b>17.28</b>   | <b>16.21</b>   | <b>18.67</b>   | <b>19.15</b>   | <b>15.28</b>  | <b>19.13</b>   | <b>18.15</b>      | <b>17.33</b>            |
| <b>EMERGENCY ROOM</b>  | <b>15.63</b>    | <b>13.26</b>     | <b>14.81</b>   | <b>14.91</b>   | <b>14.42</b>   | <b>15.56</b>   | <b>14.00</b>  | <b>15.69</b>   | <b>16.17</b>      | <b>14.94</b>            |
| <b>INPATIENT HOSPITAL</b>  | <b>68.11</b>    | <b>62.39</b>     | <b>65.52</b>   | <b>67.93</b>   | <b>60.08</b>   | <b>53.49</b>   | <b>62.67</b>  | <b>58.48</b>   | <b>70.22</b>      | <b>63.15</b>            |
| <b>REINSURANCE EXPENSE PREMIUM</b>   | <b>0.27</b>     | <b>0.52</b>      | <b>0.27</b>    | <b>0.27</b>    | <b>0.27</b>    | <b>0.27</b>    | <b>0.27</b>   | <b>0.27</b>    | <b>0.27</b>       | <b>0.30</b>             |
| <b>OUTPATIENT HOSPITAL SERVICES</b>  | <b>28.93</b>    | <b>27.62</b>     | <b>32.37</b>   | <b>30.84</b>   | <b>30.93</b>   | <b>29.57</b>   | <b>28.74</b>  | <b>29.73</b>   | <b>31.69</b>      | <b>30.05</b>            |
| <b>OTHER MEDICAL</b>   |                 |                  |                |                |                |                |               |                |                   |                         |
| Ambulance and NEMT   | 5.39            | 5.02             | 6.15           | 6.26           | 6.34           | 6.76           | 6.29          | 6.61           | 9.44              | 6.48                    |
| Home Health Services & CBAS  | 2.92            | 2.32             | 2.84           | 1.55           | 1.27           | 1.05           | 1.65          | 2.57           | 2.05              | 2.01                    |
| Utilization and Quality Review Expenses  | 2.34            | 1.67             | 2.68           | 3.80           | 2.21           | 3.90           | 2.21          | 5.97           | 1.90              | 2.97                    |
| Long Term/SNF/Hospice  | 8.22            | 28.58            | 25.00          | 22.91          | 13.19          | 23.75          | 17.79         | 11.04          | 26.51             | 19.71                   |
| Provider Enhancement Expense - Prop. 56  | 16.34           | 15.69            | 15.68          | 15.77          | 15.63          | 15.77          | 15.58         | 15.59          | 15.68             | 15.74                   |
| Provider Enhancement Expense - GEMT  | 1.49            | 1.47             | 1.44           | 1.33           | 1.58           | 1.41           | 2.52          | 2.43           | 1.94              | 1.74                    |
| Vaccine Incentive Program Expense  | 0.00            | 0.00             | 0.00           | 0.00           | 0.00           | 0.00           | 0.00          | 0.00           | 0.00              | 0.00                    |
| Behavioral Health Integration Program  | 0.00            | 0.00             | 0.00           | 0.00           | 0.00           | 0.00           | 0.00          | 0.00           | 0.00              | 0.00                    |
| Enhanced Care Management   | 4.30            | 5.09             | 5.10           | 5.14           | 5.09           | 7.24           | 4.82          | 7.66           | 5.61              | 5.57                    |
| Major Organ Transplant   | 2.26            | 2.04             | 2.15           | 2.17           | 2.13           | 2.17           | 2.15          | 2.16           | 2.32              | 2.17                    |
| Cal AIM Incentive Programs   | 0.09            | 0.80             | 0.84           | 2.60           | 10.77          | 6.15           | 6.66          | 7.14           | 5.84              | 4.59                    |
| DME  | 3.37            | 3.17             | 3.76           | 3.47           | 4.03           | 3.57           | 3.79          | 4.34           | 3.66              | 3.69                    |
| <b>TOTAL OTHER MEDICAL</b>   | <b>46.72</b>    | <b>65.85</b>     | <b>65.64</b>   | <b>65.01</b>   | <b>62.24</b>   | <b>71.78</b>   | <b>63.46</b>  | <b>65.52</b>   | <b>74.96</b>      | <b>64.69</b>            |
| <b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>   | <b>1.50</b>     | <b>1.50</b>      | <b>1.50</b>    | <b>1.50</b>    | <b>1.50</b>    | <b>1.50</b>    | <b>1.50</b>   | <b>1.50</b>    | <b>1.50</b>       | <b>1.50</b>             |
| <b>HOSPITAL DIRECTED PAYMENTS</b>  | <b>63.80</b>    | <b>61.57</b>     | <b>61.56</b>   | <b>62.18</b>   | <b>61.23</b>   | <b>62.15</b>   | <b>61.28</b>  | <b>61.44</b>   | <b>61.91</b>      | <b>61.89</b>            |
| <b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>  | <b>(2.06)</b>   | <b>0.10</b>      | <b>(2.48)</b>  | <b>0.11</b>    | <b>0.35</b>    | <b>0.04</b>    | <b>(0.04)</b> | <b>1.20</b>    | <b>(1.20)</b>     | <b>(0.43)</b>           |
| <b>NON-CLAIMS EXPENSE ADJUSTMENT</b>   | <b>(0.39)</b>   | <b>0.01</b>      | <b>0.21</b>    | <b>0.50</b>    | <b>(6.88)</b>  | <b>0.01</b>    | <b>1.80</b>   | <b>0.01</b>    | <b>0.15</b>       | <b>(0.51)</b>           |
| <b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>   | <b>0.03</b>     | <b>0.09</b>      | <b>(11.42)</b> | <b>(12.55)</b> | <b>(12.56)</b> | <b>(13.53)</b> | <b>1.99</b>   | <b>1.23</b>    | <b>1.99</b>       | <b>(5.01)</b>           |
| <b>Total Medical Costs</b>   | <b>300.15</b>   | <b>303.30</b>    | <b>304.09</b>  | <b>307.13</b>  | <b>291.34</b>  | <b>301.33</b>  | <b>308.47</b> | <b>311.96</b>  | <b>336.34</b>     | <b>307.15</b>           |

| CURRENT MONTH |           |           | KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT<br>FOR THE MONTH ENDED SEPTEMBER 30, 2023 | YEAR-TO-DATE |             |             |
|---------------|-----------|-----------|--|--------------|-------------|-------------|
| ACTUAL        | BUDGET    | VARIANCE  |  | ACTUAL       | BUDGET      | VARIANCE    |
| 589,441       | 503,780   | (85,661)  | 110 - Executive  | 5,431,692    | 4,609,031   | (822,661)   |
| 241,094       | 269,724   | 28,630    | 210 - Accounting   | 2,192,133    | 2,427,520   | 235,387     |
| 309,488       | 388,290   | 78,802    | 220 - Management Information Systems   | 3,108,957    | 3,494,608   | 385,651     |
| 10,407        | 26,641    | 16,234    | 221 - Business Intelligence  | 193,881      | 239,769     | 45,888      |
| 413,359       | 421,256   | 7,897     | 222 - Enterprise Development   | 3,330,648    | 3,791,304   | 460,656     |
| 164,140       | 201,164   | 37,024    | 223 - Enterprise Configuration   | 1,414,645    | 1,810,476   | 395,831     |
| 761,903       | 675,879   | (86,024)  | 225 - Infrastructure   | 5,827,742    | 6,082,913   | 255,171     |
| 676,078       | 690,414   | 14,336    | 230 - Claims   | 5,694,087    | 6,213,718   | 519,631     |
| 319,567       | 272,021   | (47,546)  | 240 - Project Management   | 2,200,766    | 2,448,181   | 247,415     |
| 206,469       | 145,307   | (61,162)  | 310 - Health Services - Utilization Management   | 1,565,627    | 1,307,763   | (257,864)   |
| (336)         | 51,625    | 51,961    | 311 - Health Services - Quality Improvement  | 2,344        | 464,625     | 462,281     |
| (206)         | 143       | 349       | 312 - Health Services - Education  | 231          | 1,287       | 1,056       |
| 37,033        | 70,663    | 33,630    | 313- Pharmacy  | 412,054      | 635,967     | 223,913     |
| 882           | 3,292     | 2,410     | 314 - Enhanced Care Management   | 28,909       | 29,628      | 719         |
| 76,989        | 78,415    | 1,426     | 316 -Population Health Management  | 637,710      | 705,735     | 68,025      |
| -             | 1,218     | 1,218     | 317 - Community Based Services   | 378          | 10,962      | 10,584      |
| -             | 31,941    | 31,941    | 318 - Housing & Homeless Incentive Program   | -            | 287,469     | 287,469     |
| 110,045       | 134,370   | 24,325    | 319 - CAL AIM Incentive Payment Program (IPP)  | 441,740      | 1,209,330   | 767,590     |
| -             | 947       | 947       | 601 - Behavioral Health  | -            | 8,523       | 8,523       |
| 20,083        | 4,315     | (15,768)  | 602 - Quality & Health Equity  | 20,256       | 38,835      | 18,579      |
| 338,081       | 345,411   | 7,330     | 320 - Provider Network Management  | 3,012,727    | 3,108,699   | 95,972      |
| 989,617       | 1,205,474 | 215,857   | 330 - Member Services  | 8,364,529    | 10,849,266  | 2,484,737   |
| 926,670       | 871,256   | (55,414)  | 340 - Corporate Services   | 8,439,821    | 7,841,304   | (598,517)   |
| 194,623       | 145,475   | (49,148)  | 360 - Audit & Investigative Services   | 1,412,857    | 1,309,275   | (103,582)   |
| 141,555       | 56,416    | (85,139)  | 410 - Member Engagement  | 662,540      | 507,744     | (154,796)   |
| 254,996       | 210,572   | (44,424)  | 420 - Sales/Marketing/Public Relations   | 1,658,908    | 1,895,148   | 236,240     |
| 369,133       | 361,965   | (7,168)   | 510 - Human Resources  | 3,227,448    | 3,257,685   | 30,237      |
| 267           | (141,666) | (141,933) | Administrative Expense Adjustment  | 2,147,162    | (1,275,002) | (3,422,164) |
| 7,151,378     | 7,026,308 | (125,070) | Total Administrative Expenses  | 61,429,793   | 63,311,763  | 1,881,970   |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH<br>FOR THE MONTH ENDED SEPTEMBER 30, 2023 | JANUARY<br>2023  | FEBRUARY<br>2023 | MARCH<br>2023    | APRIL<br>2023    | MAY<br>2023      | JUNE<br>2023     | JULY<br>2023     | AUGUST<br>2023   | SEPTEMBER<br>2023 | YEAR TO<br>DATE<br>2023 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------------|
| 110 - Executive  | 687,266          | 488,878          | 631,414          | 573,435          | 605,342          | 763,935          | 537,480          | 554,501          | 589,441           | 5,431,692               |
| 210 - Accounting   | 228,231          | 226,501          | 220,815          | 257,429          | 255,614          | 247,295          | 254,446          | 260,708          | 241,094           | 2,192,133               |
| 220 - Management Information Systems (MIS)   | 365,046          | 378,747          | 348,807          | 339,302          | 365,330          | 355,130          | 300,962          | 346,145          | 309,488           | 3,108,957               |
| 221 - Business Intelligence  | 63,805           | 672              | 10,109           | 15,308           | 26,942           | 22,540           | (10,946)         | 55,044           | 10,407            | 193,881                 |
| 222 - Enterprise Development   | 353,608          | 328,061          | 331,145          | 334,228          | 376,413          | 412,669          | 370,744          | 410,421          | 413,359           | 3,330,648               |
| 223 - Enterprise Configuration   | 104,241          | 216,683          | 121,896          | 146,738          | 136,105          | 171,714          | 181,934          | 171,194          | 164,140           | 1,414,645               |
| 225 - Infrastructure   | 412,631          | 771,628          | 668,401          | 676,609          | 498,225          | 515,544          | 851,074          | 671,727          | 761,903           | 5,827,742               |
| 230 - Claims   | 620,932          | 609,445          | 645,581          | 630,955          | 672,659          | 645,714          | 601,430          | 591,293          | 676,078           | 5,694,087               |
| 240 - Project Management   | 140,118          | 191,244          | 253,669          | 237,154          | 320,496          | 264,636          | 198,543          | 275,339          | 319,567           | 2,200,766               |
| 310 - Health Services - Utilization Management   | 194,388          | 186,938          | 208,456          | 255,118          | 260,301          | (106,448)        | 180,999          | 179,406          | 206,469           | 1,565,627               |
| 311 - Health Services - Quality Improvement  | 89               | 90               | (97)             | 1,758            | 598              | 783              | 471              | (1,012)          | (336)             | 2,344                   |
| 312 - Health Services - Education  | 88               | 297              | (8)              | 417              | 89               | 385              | 262              | (1,093)          | (206)             | 231                     |
| 313- Pharmacy  | 39,747           | 39,846           | 37,420           | 25,750           | 36,574           | 122,778          | 37,659           | 35,247           | 37,033            | 412,054                 |
| 314 - Enhanced Care Management   | 475              | 20,697           | (112)            | 7,231            | (223)            | 829              | 366              | (1,236)          | 882               | 28,909                  |
| 316 -Population Health Management  | 62,921           | 63,361           | 75,452           | 67,203           | 74,045           | 71,685           | 69,897           | 76,157           | 76,989            | 637,710                 |
| 317 - Community Based Services   | 165              | 821              | (711)            | 22               | 5                | 29               | 209              | (162)            | -                 | 378                     |
| 318 - Housing & Homeless Incentive Program   | -                | 1,200            | (1,185)          | 6                | 6                | 23               | 25               | (75)             | -                 | -                       |
| 319 - CAL AIM Incentive Payment Program (IPP)  | -                | 84,699           | 51,654           | 42,927           | -                | 97,232           | 45,332           | 9,851            | 110,045           | 441,740                 |
| 601 - Behavioral Health  | -                | -                | -                | -                | 11,639           | (11,571)         | -                | (68)             | -                 | -                       |
| 602 - Quality & Health Equity  | -                | 1,665            | -                | -                | (1,665)          | 194              | 20               | (41)             | 20,083            | 20,256                  |
| 320 - Provider Network Management  | 317,123          | 285,888          | 388,095          | 306,789          | 329,256          | 327,933          | 362,501          | 357,061          | 338,081           | 3,012,727               |
| 330 - Member Services  | 802,035          | 804,897          | 998,660          | 856,559          | 908,944          | 1,002,188        | 960,300          | 1,041,329        | 989,617           | 8,364,529               |
| 340 - Corporate Services   | 892,136          | 958,999          | 902,329          | 890,795          | 984,437          | 921,752          | 943,747          | 1,018,956        | 926,670           | 8,439,821               |
| 360 - Audit & Investigative Services   | 138,360          | 130,101          | 142,110          | 145,775          | 140,250          | 157,915          | 171,929          | 191,794          | 194,623           | 1,412,857               |
| 410 - Member Engagement  | 68,972           | 61,237           | 45,193           | 56,083           | 69,262           | 27,762           | 78,964           | 113,512          | 141,555           | 662,540                 |
| 420 - Sales/Marketing/Public Relations   | 60,714           | 98,793           | 207,085          | 121,647          | 169,876          | 370,758          | 119,606          | 255,433          | 254,996           | 1,658,908               |
| 510 - Human Resources  | 362,364          | 315,305          | 331,059          | 346,987          | 344,312          | 379,592          | 445,841          | 332,855          | 369,133           | 3,227,448               |
| <b>Total Department Expenses</b>   | <b>5,915,456</b> | <b>6,266,693</b> | <b>6,617,237</b> | <b>6,336,225</b> | <b>6,584,832</b> | <b>6,762,996</b> | <b>6,703,795</b> | <b>6,944,286</b> | <b>7,151,111</b>  | <b>59,282,631</b>       |
| <b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>   | <b>109,675</b>   | <b>301,496</b>   | <b>320,296</b>   | <b>300,000</b>   | <b>300,950</b>   | <b>501,326</b>   | <b>300,183</b>   | <b>12,969</b>    | <b>267</b>        | <b>2,147,162</b>        |
| <b>Total Administrative Expenses</b>   | <b>6,025,131</b> | <b>6,568,189</b> | <b>6,937,533</b> | <b>6,636,225</b> | <b>6,885,782</b> | <b>7,264,322</b> | <b>7,003,978</b> | <b>6,957,255</b> | <b>7,151,378</b>  | <b>61,429,793</b>       |

| <b>KERN HEALTH SYSTEMS<br/>GROUP HEALTH PLAN - HFAM<br/>BALANCE SHEET STATEMENT<br/>AS OF SEPTEMBER 30, 2023</b> |                       |                     |                 |
|--|-----------------------|---------------------|-----------------|
| <b>ASSETS</b>  | <b>SEPTEMBER 2023</b> | <b>AUGUST 2023</b>  | <b>INC(DEC)</b> |
| <b>CURRENT ASSETS:</b>   |                       |                     |                 |
| Cash and Cash Equivalents  | \$ 1,153,116          | \$ 1,151,019        | 2,097           |
| Interest Receivable  | 10,493                | 6,000               | 4,493           |
| <b>TOTAL CURRENT ASSETS</b>  | <b>\$ 1,163,609</b>   | <b>\$ 1,157,019</b> | <b>\$ 6,590</b> |
| <b>LIABILITIES AND NET POSITION</b>  |                       |                     |                 |
| <b>CURRENT LIABILITIES:</b>  |                       |                     |                 |
| Other Liabilities  | -                     | -                   | -               |
| <b>TOTAL CURRENT LIABILITIES</b>   | <b>\$ -</b>           | <b>\$ -</b>         | <b>\$ -</b>     |
| <b>NET POSITION:</b>   |                       |                     |                 |
| Net Position- Beg. of Year   | 1,130,625             | 1,130,625           | -               |
| Increase (Decrease) in Net Position - Current Year   | 32,984                | 26,394              | 6,590           |
| Total Net Position   | \$ 1,163,609          | \$ 1,157,019        | \$ 6,590        |
| <b>TOTAL LIABILITIES AND NET POSITION</b>  | <b>\$ 1,163,609</b>   | <b>\$ 1,157,019</b> | <b>\$ 6,590</b> |



| CURRENT MONTH         |    |       | KERN HEALTH SYSTEMS<br>GROUP HEALTH PLAN - HFAM<br>STATEMENT OF REVENUE, EXPENSES, AND CHANGES<br>IN NET POSITION<br>FOR THE MONTH ENDED SEPTEMBER 30, 2023 |               |           | YEAR-TO-DATE  |           |               |
|-----------------------|----|-------|---|---------------|-----------|---------------|-----------|---------------|
|                       |    |       |   |               |           |               |           |               |
| <b>ENROLLMENT</b>     |    |       |   |               |           |               |           |               |
| -                     | -  | -     | Members   | -             | -         | -             | -         | -             |
| <b>REVENUES</b>       |    |       |   |               |           |               |           |               |
| -                     | -  | -     | Premium   | -             | -         | -             | -         | -             |
| 4,492                 | -  | 4,492 | Interest  | 27,286        | -         | 27,286        | -         | 27,286        |
| 2,098                 | -  | 2,098 | Other Investment Income   | 5,698         | -         | 5,698         | -         | 5,698         |
| 6,590                 | -  | 6,590 | <b>TOTAL REVENUES</b>   | <b>32,984</b> | -         | <b>32,984</b> | -         | <b>32,984</b> |
| <b>EXPENSES</b>       |    |       |   |               |           |               |           |               |
| -                     | -  | -     | Medical Costs   | -             | -         | -             | -         | -             |
| -                     | -  | -     | IBNR and Paid Claims Adjustment   | -             | -         | -             | -         | -             |
| -                     | -  | -     | <b>Total Medical Costs</b>  | -             | -         | -             | -         | -             |
| 6,590                 | -  | 6,590 | <b>GROSS MARGIN</b>   | <b>32,984</b> | -         | <b>32,984</b> | -         | <b>32,984</b> |
| <b>Administrative</b> |    |       |   |               |           |               |           |               |
| -                     | -  | -     | Management Fee Expense and Other Admin Exp  | -             | -         | -             | -         | -             |
| -                     | -  | -     | <b>Total Administrative Expenses</b>  | -             | -         | -             | -         | -             |
| -                     | -  | -     | <b>TOTAL EXPENSES</b>   | -             | -         | -             | -         | -             |
| 6,590                 | -  | 6,590 | <b>OPERATING INCOME (LOSS)</b>  | <b>32,984</b> | -         | <b>32,984</b> | -         | <b>32,984</b> |
| -                     | -  | -     | <b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>  | -             | -         | -             | -         | -             |
| 6,590                 | -  | 6,590 | <b>NET INCREASE (DECREASE) IN NET POSITION</b>  | <b>32,984</b> | -         | <b>32,984</b> | -         | <b>32,984</b> |
| 0%                    | 0% | 0%    | <b>MEDICAL LOSS RATIO</b>   | <b>0%</b>     | <b>0%</b> | <b>0%</b>     | <b>0%</b> | <b>0%</b>     |
| 0%                    | 0% | 0%    | <b>ADMINISTRATIVE EXPENSE RATIO</b>   | <b>0%</b>     | <b>0%</b> | <b>0%</b>     | <b>0%</b> | <b>0%</b>     |

**KERN HEALTH SYSTEMS  
MONTHLY MEMBERS COUNT**

**KERN HEALTH SYSTEMS**

| <b>MEDI-CAL</b>                     |                  | <b>2023 MEMBER MONTHS</b> | <b>JAN'23</b>  | <b>FEB'23</b>  | <b>MAR'23</b>  | <b>APR'23</b>  | <b>MAY'23</b>  | <b>JUN'23</b>  | <b>JULY'23</b> | <b>AUG'23</b>  | <b>SEPT'23</b> |
|-------------------------------------|------------------|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>ADULT AND FAMILY</b>             |                  |                           |                |                |                |                |                |                |                |                |                |
| ADULT                               | <b>593,052</b>   | 58,409                    | 65,757         | 66,276         | 66,418         | 67,971         | 67,525         | 67,003         | 67,812         | 65,881         |                |
| CHILD                               | <b>1,320,392</b> | 149,881                   | 145,505        | 145,753        | 146,329        | 146,573        | 147,108        | 147,100        | 146,886        | 145,257        |                |
| <b>SUB-TOTAL ADULT &amp; FAMILY</b> | <b>1,913,444</b> | <b>208,290</b>            | <b>211,262</b> | <b>212,029</b> | <b>212,747</b> | <b>214,544</b> | <b>214,633</b> | <b>214,103</b> | <b>214,698</b> | <b>211,138</b> |                |
| <b>OTHER MEMBERS</b>                |                  |                           |                |                |                |                |                |                |                |                |                |
| PARTIAL DUALS - FAMILY              | <b>7,502</b>     | 851                       | 875            | 903            | 822            | 853            | 818            | 837            | 787            | 756            |                |
| PARTIAL DUALS - CHILD               | <b>0</b>         | 0                         | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |                |
| PARTIAL DUALS - BCCTP               | <b>93</b>        | 6                         | 10             | 10             | 10             | 16             | 11             | 12             | 10             | 8              |                |
| <b>FULL DUALS (SPD)</b>             |                  |                           |                |                |                |                |                |                |                |                |                |
| SPD FULL DUALS                      | <b>179,279</b>   | 9,649                     | 20,632         | 21,019         | 21,092         | 21,349         | 21,374         | 21,218         | 21,406         | 21,540         |                |
| <b>SUBTOTAL OTHER MEMBERS</b>       | <b>186,874</b>   | <b>10,506</b>             | <b>21,517</b>  | <b>21,932</b>  | <b>21,924</b>  | <b>22,218</b>  | <b>22,203</b>  | <b>22,067</b>  | <b>22,203</b>  | <b>22,304</b>  |                |
| <b>TOTAL FAMILY &amp; OTHER</b>     | <b>2,100,318</b> | <b>218,796</b>            | <b>232,779</b> | <b>233,961</b> | <b>234,671</b> | <b>236,762</b> | <b>236,836</b> | <b>236,170</b> | <b>236,901</b> | <b>233,442</b> |                |
| <b>SPD</b>                          |                  |                           |                |                |                |                |                |                |                |                |                |
| SPD (AGED AND DISABLED)             | <b>165,338</b>   | 17,442                    | 18,453         | 18,522         | 18,599         | 18,398         | 18,515         | 18,518         | 18,448         | 18,443         |                |
| <b>MEDI-CAL EXPANSION</b>           |                  |                           |                |                |                |                |                |                |                |                |                |
| ACA Expansion Adult-Citizen         | <b>879,476</b>   | 94,512                    | 96,241         | 96,427         | 97,590         | 98,512         | 99,338         | 99,216         | 99,510         | 98,130         |                |
| ACA Expansion Duals                 | <b>15,694</b>    | 1,637                     | 1,613          | 1,703          | 1,746          | 1,842          | 1,908          | 1,809          | 1,716          | 1,720          |                |
| <b>SUB-TOTAL MED-CAL EXPANSION</b>  | <b>895,170</b>   | <b>96,149</b>             | <b>97,854</b>  | <b>98,130</b>  | <b>99,336</b>  | <b>100,354</b> | <b>101,246</b> | <b>101,025</b> | <b>101,226</b> | <b>99,850</b>  |                |
| <b>LONG TERM CARE (LTC)</b>         |                  |                           |                |                |                |                |                |                |                |                |                |
| LTC                                 | <b>276</b>       | 27                        | -1             | 33             | 34             | 35             | 38             | 35             | 35             | 40             |                |
| LTC DUALS                           | <b>2,957</b>     | 0                         | 380            | 364            | 365            | 366            | 373            | 367            | 383            | 359            |                |
| <b>TOTAL LTC</b>                    | <b>3,233</b>     | <b>27</b>                 | <b>379</b>     | <b>397</b>     | <b>399</b>     | <b>401</b>     | <b>411</b>     | <b>402</b>     | <b>418</b>     | <b>399</b>     |                |
| <b>TOTAL KAISER</b>                 | <b>139,842</b>   | <b>14,759</b>             | <b>14,960</b>  | <b>15,308</b>  | <b>15,562</b>  | <b>15,699</b>  | <b>15,881</b>  | <b>15,869</b>  | <b>15,966</b>  | <b>15,838</b>  |                |
| <b>TOTAL MEDI-CAL MEMBERS</b>       | <b>3,303,901</b> | <b>347,173</b>            | <b>364,425</b> | <b>366,318</b> | <b>368,567</b> | <b>371,614</b> | <b>372,889</b> | <b>371,984</b> | <b>372,959</b> | <b>367,972</b> |                |



---

**MEMORANDUM**

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Robert Landis, Chief Financial Officer  
**SUBJECT:** October 2023 Financial Results  
**DATE:** December 14, 2023

---

The October results reflect a \$943,617 Net Increase in Net Position which is a \$1,311,589 favorable variance to the budget. Listed below are the major variances for the month:

- 1) Total Revenues reflect a \$2.0 million favorable variance primarily due to:
  - A) \$2.0 million favorable variance in Investment Earnings and Other Income primarily due from higher than forecasted interest rates being earned on the investment portfolio.
  
- 2) Total Medical Costs reflect a \$.6 million unfavorable variance primarily due to:
  - A) \$.7 million favorable variance in Physician Services primarily due to lower-than-expected utilization of Urgent Care services over the last several months.
  - B) \$2.1 million unfavorable variance in Inpatient primarily due to higher-than-expected utilization along with hospital rate increases over the last several months.
  - C) \$1.7 million unfavorable variance in Outpatient Hospital primarily due to higher-than-expected utilization along with rate increases over the last several months.
  - D) \$2.7 million favorable variance in Other Medical primarily due from lower-than-expected utilization of the new Long-Term care services benefit over the last several months.

The October Medical Loss Ratio is 91.5% which is favorable to the 92.8 % budgeted amount. The October Administrative Expense Ratio is 6.9% which is equal to the 6.9% budgeted amount.

The results for the 10 months ended October 31, 2023 reflect a Net Increase in Net Position of \$93,966,364. This is a \$98,813,982 favorable variance to budget and includes approximately \$21.4 million of favorable adjustments from the prior year. The year-to-date Medical Loss Ratio is 84.1% which is favorable to the 92.9% budgeted amount. The year-to-date Administrative Expense Ratio is 6.6% which is favorable to the 6.9% budgeted amount.

**Kern Health Systems  
Financial Packet  
October 2023**

**KHS – Medi-Cal Line of Business**

|   |          |
|---|----------|
| Comparative Statement of Net Position                                       | Page 1   |
| Statement of Revenue, Expenses, and Changes in Net Position                 | Page 2   |
| Statement of Revenue, Expenses, and Changes in Net Position - PMPM          | Page 3   |
| Statement of Revenue, Expenses, and Changes in Net Position by Month        | Page 4-5 |
| Statement of Revenue, Expenses, and Changes in Net Position by Month - PMPM | Page 6-7 |
| Schedule of Revenues  | Page 8   |
| Schedule of Medical Costs   | Page 9   |
| Schedule of Medical Costs - PMPM  | Page 10  |
| Schedule of Medical Costs by Month  | Page 11  |
| Schedule of Medical Costs by Month – PMPM                                   | Page 12  |
| Schedule of Administrative Expenses by Department                           | Page 13  |
| Schedule of Administrative Expenses by Department by Month                  | Page 14  |

**KHS Group Health Plan – Healthy Families Line of Business**

|   |         |
|---|---------|
| Comparative Statement of Net Position                       | Page 15 |
| Statement of Revenue, Expenses, and Changes in Net Position | Page 16 |

**KHS Administrative Analysis and Other Reporting**

|                      |         |
|----------------------|---------|
| Monthly Member Count | Page 17 |
|----------------------|---------|

| <b>KERN HEALTH SYSTEMS<br/>MEDI-CAL<br/>STATEMENT OF NET POSITION<br/>AS OF OCTOBER 31, 2023</b> |                         |                         |                        |
|--|-------------------------|-------------------------|------------------------|
| <b>ASSETS</b>  | <b>OCTOBER 2023</b>     | <b>SEPTEMBER 2023</b>   | <b>INC(DEC)</b>        |
| <b>CURRENT ASSETS:</b>   |                         |                         |                        |
| Cash and Cash Equivalents  | \$ 122,316,862          | \$ 192,421,103          | \$ (70,104,241)        |
| Short-Term Investments   | 390,371,861             | 381,644,130             | 8,727,731              |
| Premiums Receivable - Net  | 89,049,925              | 62,647,955              | 26,401,970             |
| Premiums Receivable - Hospital Direct Payments   | 445,924,351             | 424,543,362             | 21,380,989             |
| Interest Receivable  | 123,010                 | 368,005                 | (244,995)              |
| Provider Advance Payment   | 602,662                 | 692,522                 | (89,860)               |
| Other Receivables  | 589,860                 | 972,581                 | (382,721)              |
| Prepaid Expenses & Other Current Assets  | 6,892,622               | 7,119,997               | (227,375)              |
| <b>Total Current Assets</b>  | <b>\$ 1,055,871,153</b> | <b>\$ 1,070,409,655</b> | <b>\$ (14,538,502)</b> |
| <b>CAPITAL ASSETS - NET OF ACCUM DEPREE:</b>   |                         |                         |                        |
| Land   | 4,090,706               | 4,090,706               | -                      |
| Furniture and Equipment - Net  | 1,129,028               | 1,184,841               | (55,813)               |
| Computer Hardware and Software - Net   | 18,131,617              | 18,656,422              | (524,805)              |
| Building and Building Improvements - Net   | 33,255,513              | 33,332,335              | (76,822)               |
| Capital Projects in Progress   | 2,456,346               | 2,078,552               | 377,794                |
| <b>Total Capital Assets</b>  | <b>\$ 59,063,210</b>    | <b>\$ 59,342,856</b>    | <b>\$ (279,646)</b>    |
| <b>LONG TERM ASSETS:</b>   |                         |                         |                        |
| Restricted Investments   | 300,000                 | 300,000                 | -                      |
| Officer Life Insurance Receivables   | 1,602,024               | 1,602,024               | -                      |
| <b>Total Long Term Assets</b>  | <b>\$ 1,902,024</b>     | <b>\$ 1,902,024</b>     | <b>\$ -</b>            |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  | <b>\$ 8,886,257</b>     | <b>\$ 8,886,257</b>     | <b>\$ -</b>            |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>   | <b>\$ 1,125,722,644</b> | <b>\$ 1,140,540,792</b> | <b>\$ (14,818,148)</b> |
| <b>LIABILITIES AND NET POSITION</b>  |                         |                         |                        |
| <b>CURRENT LIABILITIES:</b>  |                         |                         |                        |
| Accrued Salaries and Employee Benefits   | \$ 6,391,630            | \$ 5,867,039            | 524,591                |
| Accrued Other Operating Expenses   | 4,977,897               | 4,499,315               | 478,582                |
| Claims Payable (Reported)  | 25,848,412              | 22,996,862              | 2,851,550              |
| IBNR - Inpatient Claims  | 58,633,336              | 58,958,405              | (325,069)              |
| IBNR - Physician Claims  | 21,241,229              | 20,615,548              | 625,681                |
| IBNR - Accrued Other Medical   | 27,025,271              | 29,777,369              | (2,752,098)            |
| Risk Pool and Withholds Payable  | 5,212,307               | 4,698,535               | 513,772                |
| Statutory Allowance for Claims Processing Expense  | 3,195,869               | 3,195,869               | -                      |
| Other Liabilities  | 102,238,675             | 141,298,438             | (39,059,763)           |
| Accrued Hospital Directed Payments   | 445,986,566             | 424,605,577             | 21,380,989             |
| <b>Total Current Liabilities</b>   | <b>\$ 700,751,192</b>   | <b>\$ 716,512,957</b>   | <b>\$ (15,761,765)</b> |
| <b>NONCURRENT LIABILITIES:</b>   |                         |                         |                        |
| Net Pension Liability  | 12,018,206              | 12,018,206              | -                      |
| <b>TOTAL NONCURRENT LIABILITIES</b>  | <b>\$ 12,018,206</b>    | <b>\$ 12,018,206</b>    | <b>\$ -</b>            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   | <b>\$ 230,571</b>       | <b>\$ 230,571</b>       | <b>\$ -</b>            |
| <b>NET POSITION:</b>   |                         |                         |                        |
| Net Position - Beg. of Year  | 318,756,311             | 318,756,311             | -                      |
| Increase (Decrease) in Net Position - Current Year   | 93,966,364              | 93,022,747              | 943,617                |
| <b>Total Net Position</b>  | <b>\$ 412,722,675</b>   | <b>\$ 411,779,058</b>   | <b>\$ 943,617</b>      |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>                         | <b>\$ 1,125,722,644</b> | <b>\$ 1,140,540,792</b> | <b>\$ (14,818,148)</b> |

| CURRENT MONTH MEMBERS |         |          | KERN HEALTH SYSTEMS<br>MEDI-CAL - ALL COA<br>STATEMENT OF REVENUE, EXPENSES, AND<br>CHANGES IN NET POSITION<br>FOR THE MONTH ENDED OCTOBER 31, 2023 |           |           | YEAR-TO-DATE MEMBER MONTHS |  |  |
|-----------------------|---------|----------|---|-----------|-----------|----------------------------|--|--|
| ACTUAL                | BUDGET  | VARIANCE |   | ACTUAL    | BUDGET    | VARIANCE                   |  |  |
| 207,614               | 211,400 | (3,786)  | Family Members  | 2,120,184 | 2,131,000 | (10,816)                   |  |  |
| 95,783                | 92,100  | 3,683    | Expansion Members   | 990,953   | 937,000   | 53,953                     |  |  |
| 18,180                | 17,600  | 580      | SPD Members   | 183,518   | 178,000   | 5,518                      |  |  |
| 405                   | 650     | (245)    | LTC Members   | 3,638     | 4,850     | (1,212)                    |  |  |
| 22,300                | 23,700  | (1,400)  | Other Members   | 209,174   | 222,000   | (12,826)                   |  |  |
| 15,617                | 14,000  | 1,617    | Kaiser Members  | 155,459   | 140,000   | 15,459                     |  |  |
| 359,899               | 359,450 | 449      | <b>Total Members - MCAL</b>   | 3,662,926 | 3,612,850 | 50,076                     |  |  |

|             |             |             | REVENUES                                      |               |               |              |
|-------------|-------------|-------------|---|---------------|---------------|--------------|
| 42,099,200  | 42,789,057  | (689,857)   | Title XIX - Medicaid - Family and Other       | 424,666,382   | 427,504,861   | (2,838,479)  |
| 36,217,555  | 33,801,959  | 2,415,596   | Title XIX - Medicaid - Expansion Members      | 372,430,936   | 343,868,881   | 28,562,055   |
| 19,485,313  | 20,119,763  | (634,450)   | Title XIX - Medicaid - SPD Members            | 192,949,527   | 203,483,966   | (10,534,439) |
| 2,973,589   | 4,566,444   | (1,592,855) | Title XIX - Medicaid - LTC Members            | 27,185,565    | 34,229,976    | (7,044,411)  |
| -           | -           | -           | Premium - MCO Tax                             | -             | -             | -            |
| 21,376,726  | 20,753,610  | 623,116     | Premium - Hospital Directed Payments          | 217,198,911   | 210,031,832   | 7,167,079    |
| 2,404,743   | 430,019     | 1,974,724   | Investment Earnings And Other Income          | 14,479,541    | 4,303,850     | 10,175,691   |
| -           | 76,112      | (76,112)    | Reinsurance Recoveries                        | -             | 765,156       | (765,156)    |
| 4,262       | -           | 4,262       | Rate Adjustments - Hospital Directed Payments | (9,567)       | -             | (9,567)      |
| (20,585)    | -           | (20,585)    | Rate/Income Adjustments                       | 5,356,105     | -             | 5,356,105    |
| 124,540,803 | 122,536,963 | 2,003,840   | <b>TOTAL REVENUES</b>                         | 1,254,257,400 | 1,224,188,522 | 30,068,878   |

|             |             |             | EXPENSES                                |               |               |             |
|-------------|-------------|-------------|---|---------------|---------------|-------------|
|             |             |             | Medical Costs:                          |               |               |             |
| 20,657,868  | 21,345,501  | 687,633     | Physician Services                      | 208,121,068   | 215,063,415   | 6,942,347   |
| 6,402,687   | 6,912,891   | 510,204     | Other Professional Services             | 61,244,909    | 69,415,961    | 8,171,052   |
| 5,063,129   | 5,717,882   | 654,753     | Emergency Room                          | 52,320,827    | 57,593,839    | 5,273,012   |
| 25,452,067  | 23,349,529  | (2,102,538) | Inpatient                               | 225,274,907   | 235,742,532   | 10,467,625  |
| 96,625      | 76,112      | (20,513)    | Reinsurance Expense                     | 1,037,660     | 765,156       | (272,504)   |
| 12,146,983  | 10,400,616  | (1,746,367) | Outpatient Hospital                     | 107,238,084   | 104,310,628   | (2,927,456) |
| 23,481,299  | 26,179,206  | 2,697,907   | Other Medical                           | 228,176,422   | 254,311,880   | 26,135,458  |
| 513,772     | 517,969     | 4,197       | Pay for Performance Quality Incentive   | 5,259,417     | 5,209,696     | (49,721)    |
| 21,376,726  | 20,753,610  | (623,116)   | Hospital Directed Payments              | 217,198,911   | 210,031,832   | (7,167,079) |
| 4,263       | -           | (4,263)     | Hospital Directed Payment Adjustment    | (1,350,593)   | -             | 1,350,593   |
| (4,730)     | -           | (4,730)     | Non-Claims Expense Adjustment           | (1,630,016)   | -             | 1,630,016   |
| 614,589     | -           | (614,589)   | IBNR, Incentive, Paid Claims Adjustment | (15,238,489)  | -             | 15,238,489  |
| 115,805,278 | 115,253,314 | (551,964)   | <b>Total Medical Costs</b>              | 1,087,653,107 | 1,152,444,939 | 64,791,832  |

|           |           |           |                                      |             |            |             |
|-----------|-----------|-----------|--------------------------------------|-------------|------------|-------------|
| 8,735,525 | 7,283,649 | 1,451,876 | <b>GROSS MARGIN</b>                  | 166,604,293 | 71,743,583 | 94,860,710  |
|           |           |           | Administrative:                      |             |            |             |
| 4,152,627 | 4,009,842 | (142,785) | Compensation                         | 37,789,969  | 40,173,409 | 2,383,441   |
| 1,715,078 | 1,690,082 | (24,996)  | Purchased Services                   | 15,211,360  | 16,900,817 | 1,689,457   |
| 128,415   | 227,316   | 98,901    | Supplies                             | 1,563,821   | 2,273,163  | 709,342     |
| 657,439   | 649,950   | (7,489)   | Depreciation                         | 6,827,921   | 6,499,495  | (328,426)   |
| 505,416   | 449,119   | (56,297)  | Other Administrative Expenses        | 5,048,535   | 4,491,186  | (557,349)   |
| -         | -         | -         | Administrative Expense Adjustment    | 2,147,162   | -          | (2,147,162) |
| 7,158,975 | 7,026,308 | (132,667) | <b>Total Administrative Expenses</b> | 68,588,768  | 70,338,070 | 1,749,303   |

|             |             |           |                       |               |               |            |
|-------------|-------------|-----------|-----------------------|---------------|---------------|------------|
| 122,964,253 | 122,279,622 | (684,631) | <b>TOTAL EXPENSES</b> | 1,156,241,875 | 1,222,783,009 | 66,541,135 |
|-------------|-------------|-----------|-----------------------|---------------|---------------|------------|

|           |         |           |   |            |           |            |
|-----------|---------|-----------|---|------------|-----------|------------|
| 1,576,550 | 257,341 | 1,319,209 | <b>OPERATING INCOME (LOSS) BEFORE TAX</b> | 98,015,525 | 1,405,513 | 96,610,013 |
|-----------|---------|-----------|---|------------|-----------|------------|

|   |   |   |                |   |   |   |
|---|---|---|----------------|---|---|---|
| - | - | - | <b>MCO TAX</b> | - | - | - |
|---|---|---|----------------|---|---|---|

|           |         |           |   |            |           |            |
|-----------|---------|-----------|---|------------|-----------|------------|
| 1,576,550 | 257,341 | 1,319,209 | <b>OPERATING INCOME (LOSS) NET OF TAX</b> | 98,015,525 | 1,405,513 | 96,610,013 |
|-----------|---------|-----------|---|------------|-----------|------------|

|           |           |         | NONOPERATING REVENUE (EXPENSE)              |             |             |           |
|-----------|-----------|---------|---|-------------|-------------|-----------|
| -         | -         | -       | Provider Grants/CalAIM/Home Health          | (543)       | -           | (543)     |
| (632,933) | (625,313) | (7,620) | D-SNP Expenses                              | (4,048,618) | (6,253,130) | 2,204,512 |
| (632,933) | (625,313) | (7,620) | <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b> | (4,049,161) | (6,253,130) | 2,203,969 |

|         |           |           |  |            |             |            |
|---------|-----------|-----------|--|------------|-------------|------------|
| 943,617 | (367,972) | 1,311,589 | <b>NET INCREASE (DECREASE) IN NET POSITION</b> | 93,966,364 | (4,847,618) | 98,813,982 |
|---------|-----------|-----------|--|------------|-------------|------------|

|       |       |      |                           |       |       |      |
|-------|-------|------|---------------------------|-------|-------|------|
| 91.5% | 92.8% | 1.3% | <b>MEDICAL LOSS RATIO</b> | 84.1% | 92.9% | 8.9% |
|-------|-------|------|---------------------------|-------|-------|------|

|      |      |      |                                     |      |      |      |
|------|------|------|-------------------------------------|------|------|------|
| 6.9% | 6.9% | 0.0% | <b>ADMINISTRATIVE EXPENSE RATIO</b> | 6.6% | 6.9% | 0.3% |
|------|------|------|-------------------------------------|------|------|------|

| CURRENT MONTH                         |          |         | STATEMENT OF REVENUE, EXPENSES, AND CHANGES<br>IN NET POSITION - PMPM<br>FOR THE MONTH ENDED OCTOBER 31, 2023 |           |           | YEAR-TO-DATE |        |          |
|---------------------------------------|----------|---------|---|-----------|-----------|--------------|--------|----------|
|                                       |          |         |   |           |           | ACTUAL       | BUDGET | VARIANCE |
| <b>ENROLLMENT</b>                     |          |         |   |           |           |              |        |          |
| 207,614                               | 211,400  | (3,786) | Family Members  | 2,120,184 | 2,131,000 | (10,816)     |        |          |
| 95,783                                | 92,100   | 3,683   | Expansion Members   | 990,953   | 937,000   | 53,953       |        |          |
| 18,180                                | 17,600   | 580     | SPD Members   | 183,518   | 178,000   | 5,518        |        |          |
| 405                                   | 650      | (245)   | LTC Members   | 3,638     | 4,850     | (1,212)      |        |          |
| 22,300                                | 23,700   | (1,400) | Other Members   | 209,174   | 222,000   | (12,826)     |        |          |
| 15,617                                | 14,000   | 1,617   | Kaiser Members  | 155,459   | 140,000   | 15,459       |        |          |
| 359,899                               | 359,450  | 449     | <b>Total Members - MCAL</b>   | 3,662,926 | 3,612,850 | 50,076       |        |          |
| <b>REVENUES</b>                       |          |         |   |           |           |              |        |          |
| 183.11                                | 182.00   | 1.10    | Title XIX - Medicaid - Family and Other   | 182.31    | 181.69    | 0.63         |        |          |
| 378.12                                | 367.01   | 11.11   | Title XIX - Medicaid - Expansion Members  | 375.83    | 366.99    | 8.84         |        |          |
| 1,071.80                              | 1,143.17 | (71.37) | Title XIX - Medicaid - SPD Members  | 1,051.39  | 1,143.17  | (91.78)      |        |          |
| 7,342.20                              | 7,025.30 | 316.90  | Title XIX - Medicaid - LTC Members  | 7,472.67  | 7,057.73  | 414.94       |        |          |
| 0.00                                  | 0.00     | 0.00    | Premium - MCO Tax   | 0.00      | 0.00      | 0.00         |        |          |
| 62.09                                 | 60.08    | 2.01    | Premium - Hospital Directed Payments  | 61.92     | 60.48     | 1.45         |        |          |
| 6.98                                  | 1.24     | 5.74    | Investment Earnings And Other Income  | 4.13      | 1.24      | 2.89         |        |          |
| 0.00                                  | 0.22     | (0.22)  | Reinsurance Recoveries  | 0.00      | 0.22      | (0.22)       |        |          |
| 0.01                                  | 0.00     | 0.01    | Rate Adjustments - Hospital Directed Payments   | (0.00)    | 0.00      | (0.00)       |        |          |
| (0.06)                                | 0.00     | (0.06)  | Rate/Income Adjustments   | 1.53      | 0.00      | 1.53         |        |          |
| 361.74                                | 354.72   | 7.02    | <b>TOTAL REVENUES</b>   | 357.60    | 352.50    | 5.09         |        |          |
| <b>EXPENSES</b>                       |          |         |   |           |           |              |        |          |
| <b>Medical Costs:</b>                 |          |         |   |           |           |              |        |          |
| 60.00                                 | 61.79    | 1.79    | Physician Services  | 59.34     | 61.93     | 2.59         |        |          |
| 18.60                                 | 20.01    | 1.41    | Other Professional Services   | 17.46     | 19.99     | 2.53         |        |          |
| 14.71                                 | 16.55    | 1.85    | Emergency Room  | 14.92     | 16.58     | 1.67         |        |          |
| 73.93                                 | 67.59    | (6.34)  | Inpatient   | 64.23     | 67.88     | 3.65         |        |          |
| 0.28                                  | 0.22     | (0.06)  | Reinsurance Expense   | 0.30      | 0.22      | (0.08)       |        |          |
| 35.28                                 | 30.11    | (5.17)  | Outpatient Hospital   | 30.57     | 30.04     | (0.54)       |        |          |
| 68.20                                 | 75.78    | 7.58    | Other Medical   | 65.05     | 73.23     | 8.17         |        |          |
| 1.49                                  | 1.50     | 0.01    | Pay for Performance Quality Incentive   | 1.50      | 1.50      | 0.00         |        |          |
| 62.09                                 | 60.08    | (2.01)  | Hospital Directed Payments  | 61.92     | 60.48     | (1.45)       |        |          |
| 0.01                                  | 0.00     | (0.01)  | Hospital Directed Payment Adjustment  | (0.39)    | 0.00      | 0.39         |        |          |
| (0.01)                                | 0.00     | 0.01    | Non-Claims Expense Adjustment   | (0.46)    | 0.00      | 0.46         |        |          |
| 1.79                                  | 0.00     | (1.79)  | IBNR, Incentive, Paid Claims Adjustment   | (4.34)    | 0.00      | 4.34         |        |          |
| 336.37                                | 333.63   | (2.74)  | <b>Total Medical Costs</b>  | 310.10    | 331.84    | 21.75        |        |          |
| 25.37                                 | 21.08    | 4.29    | <b>GROSS MARGIN</b>   | 47.50     | 20.66     | 26.84        |        |          |
| <b>Administrative:</b>                |          |         |   |           |           |              |        |          |
| 12.06                                 | 11.61    | (0.45)  | Compensation  | 10.77     | 11.57     | 0.79         |        |          |
| 4.98                                  | 4.89     | (0.09)  | Purchased Services  | 4.34      | 4.87      | 0.53         |        |          |
| 0.37                                  | 0.66     | 0.29    | Supplies  | 0.45      | 0.65      | 0.21         |        |          |
| 1.91                                  | 1.88     | (0.03)  | Depreciation  | 1.95      | 1.87      | (0.08)       |        |          |
| 1.47                                  | 1.30     | (0.17)  | Other Administrative Expenses   | 1.44      | 1.29      | (0.15)       |        |          |
| 0.00                                  | 0.00     | 0.00    | Administrative Expense Adjustment   | 0.61      | 0.00      | (0.61)       |        |          |
| 20.79                                 | 20.34    | (0.45)  | <b>Total Administrative Expenses</b>  | 19.56     | 20.25     | 0.70         |        |          |
| 357.16                                | 353.97   | (3.19)  | <b>TOTAL EXPENSES</b>   | 329.65    | 352.10    | 22.45        |        |          |
| 4.58                                  | 0.74     | 3.83    | <b>OPERATING INCOME (LOSS) BEFORE TAX</b>   | 27.94     | 0.40      | 27.54        |        |          |
| 0.00                                  | 0.00     | 0.00    | <b>MCO TAX</b>  | 0.00      | 0.00      | 0.00         |        |          |
| 4.58                                  | 0.74     | 3.83    | <b>OPERATING INCOME (LOSS) NET OF TAX</b>   | 27.94     | 0.40      | 27.54        |        |          |
| <b>NONOPERATING REVENUE (EXPENSE)</b> |          |         |   |           |           |              |        |          |
| 0.00                                  | 0.00     | 0.00    | Gain on Sale of Assets  | 0.00      | 0.00      | 0.00         |        |          |
| 0.00                                  | 0.00     | 0.00    | Reserve Fund Projects/Community Grants  | (0.00)    | 0.00      | (0.00)       |        |          |
| (1.84)                                | (1.81)   | (0.03)  | Health Home   | (1.15)    | (1.80)    | 0.65         |        |          |
| (1.84)                                | (1.81)   | (0.03)  | <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>   | (1.15)    | (1.80)    | 0.65         |        |          |
| 2.74                                  | (1.07)   | 3.81    | <b>NET INCREASE (DECREASE) IN NET POSITION</b>  | 26.79     | (1.40)    | 28.19        |        |          |
| 91.5%                                 | 92.8%    | 1.3%    | <b>MEDICAL LOSS RATIO</b>   | 84.1%     | 92.9%     | 8.9%         |        |          |
| 6.9%                                  | 6.9%     | 0.0%    | <b>ADMINISTRATIVE EXPENSE RATIO</b>   | 6.6%      | 6.9%      | 0.3%         |        |          |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>STATEMENT OF REVENUE, EXPENSES, AND<br>CHANGES IN NET POSITION BY MONTH -<br>ROLLING 13 MONTHS<br>THROUGH OCTOBER 31, 2023 | OCTOBER            | NOVEMBER           | DECEMBER           | JANUARY            | FEBRUARY           | MARCH              | APRIL              |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 2022               | 2022               | 2022               | 2023               | 2023               | 2023               | 2023               |
| <b>ENROLLMENT</b>   |                    |                    |                    |                    |                    |                    |                    |
| Members - MCAL  | 329,121            | 331,947            | 336,514            | 332,387            | 349,492            | 351,010            | 353,005            |
| <b>REVENUES</b>   |                    |                    |                    |                    |                    |                    |                    |
| Title XIX - Medicaid - Family and Other   | 37,949,223         | 39,648,035         | 34,345,215         | 38,355,206         | 40,922,562         | 41,044,003         | 41,661,492         |
| Title XIX - Medicaid - Expansion Members  | 31,549,369         | 32,934,833         | 30,862,645         | 35,864,920         | 36,154,732         | 35,902,983         | 36,465,640         |
| Title XIX - Medicaid - SPD Members  | 15,913,345         | 15,878,315         | 15,500,822         | 18,119,057         | 19,012,691         | 19,068,659         | 19,567,025         |
| Title XIX - Medicaid - LTC Members  | -                  | -                  | -                  | 201,227            | 2,814,382          | 2,968,601          | 2,968,602          |
| Premium - MCO Tax   | 10,883,459         | 10,883,460         | 10,883,460         | -                  | -                  | -                  | -                  |
| Premium - Hospital Directed Payments  | 18,961,885         | 19,322,384         | 27,573,903         | 21,209,673         | 21,515,947         | 21,609,701         | 21,948,157         |
| Investment Earnings And Other Income  | 179,268            | 888,027            | 714,738            | 1,400,146          | 440,597            | 2,337,674          | 1,314,336          |
| Reinsurance Recoveries  | -                  | -                  | 152,481            | -                  | -                  | -                  | -                  |
| Rate Adjustments - Hospital Directed Payments   | 9,926              | (5,267)            | 12,446,127         | (684,297)          | 33,520             | 32,816             | 37,815             |
| Rate/Income Adjustments   | 124,448            | 1,298,007          | 333,950            | (968,410)          | 350,076            | 1,115,116          | 978,086            |
| <b>TOTAL REVENUES</b>   | <b>115,570,923</b> | <b>120,847,794</b> | <b>132,813,341</b> | <b>113,497,522</b> | <b>121,244,507</b> | <b>124,079,553</b> | <b>124,941,153</b> |
| <b>EXPENSES</b>   |                    |                    |                    |                    |                    |                    |                    |
| Medical Costs:  |                    |                    |                    |                    |                    |                    |                    |
| Physician Services  | 18,169,774         | 18,483,343         | 16,678,607         | 20,302,072         | 19,187,941         | 20,648,045         | 21,262,722         |
| Other Professional Services   | 5,041,998          | 5,432,710          | 6,175,363          | 5,493,905          | 5,413,638          | 6,067,168          | 5,720,799          |
| Emergency Room  | 4,790,820          | 5,682,299          | 5,082,054          | 5,195,994          | 4,633,288          | 5,199,635          | 5,262,548          |
| Inpatient   | 22,462,437         | 18,414,421         | 12,591,938         | 22,641,712         | 21,804,027         | 22,997,133         | 23,980,922         |
| Reinsurance Expense   | 58,493             | 58,838             | 59,818             | 90,859             | 180,937            | 94,363             | 94,773             |
| Outpatient Hospital   | 9,319,855          | 8,727,267          | 9,093,742          | 9,616,781          | 9,652,797          | 11,362,056         | 10,886,974         |
| Other Medical   | 16,418,094         | 16,382,849         | 6,543,097          | 15,528,820         | 23,011,370         | 23,040,484         | 22,948,410         |
| Pay for Performance Quality Incentive   | 493,681            | 493,681            | 504,771            | 498,590            | 524,238            | 526,516            | 529,507            |
| Hospital Directed Payments  | 18,961,885         | 19,322,384         | 27,573,903         | 21,209,673         | 21,515,947         | 21,609,701         | 21,948,157         |
| Hospital Directed Payment Adjustment  | 9,926              | (5,266)            | 12,446,126         | (684,297)          | 33,520             | (869,333)          | 37,816             |
| Non-Claims Expense Adjustment   | (248,768)          | 4,018              | (1,071,264)        | (128,832)          | 3,429              | 72,961             | 177,517            |
| IBNR, Incentive, Paid Claims Adjustment   | (435,695)          | (436,641)          | (6,704,318)        | 9,076              | 32,166             | (4,009,312)        | (4,430,362)        |
| <b>Total Medical Costs</b>  | <b>95,042,500</b>  | <b>92,559,903</b>  | <b>88,973,837</b>  | <b>99,774,353</b>  | <b>105,993,298</b> | <b>106,739,417</b> | <b>108,419,783</b> |
| <b>GROSS MARGIN</b>   | <b>20,528,423</b>  | <b>28,287,891</b>  | <b>43,839,504</b>  | <b>13,723,169</b>  | <b>15,251,209</b>  | <b>17,340,136</b>  | <b>16,521,370</b>  |
| Administrative:   |                    |                    |                    |                    |                    |                    |                    |
| Compensation  | 3,387,496          | 3,241,130          | 4,707,264          | 3,547,045          | 3,492,028          | 3,754,627          | 3,614,954          |
| Purchased Services  | 1,009,393          | 1,034,408          | 1,262,419          | 939,926            | 1,549,694          | 1,516,766          | 1,481,551          |
| Supplies  | 66,157             | 258,430            | 220,189            | 87,606             | 161,043            | 106,568            | 113,296            |
| Depreciation  | 584,905            | 622,602            | 627,772            | 680,616            | 679,350            | 682,158            | 684,369            |
| Other Administrative Expenses   | 304,229            | 320,234            | 966,290            | 660,263            | 384,578            | 557,118            | 442,055            |
| Administrative Expense Adjustment   | 299,429            | 299,689            | 508,526            | 109,675            | 301,496            | 320,296            | 300,000            |
| <b>Total Administrative Expenses</b>  | <b>5,651,609</b>   | <b>5,776,493</b>   | <b>8,292,460</b>   | <b>6,025,131</b>   | <b>6,568,189</b>   | <b>6,937,533</b>   | <b>6,636,225</b>   |
| <b>TOTAL EXPENSES</b>   | <b>100,694,109</b> | <b>98,336,396</b>  | <b>97,266,297</b>  | <b>105,799,484</b> | <b>112,561,487</b> | <b>113,676,950</b> | <b>115,056,008</b> |
| <b>OPERATING INCOME (LOSS) BEFORE TAX</b>   | <b>14,876,814</b>  | <b>22,511,398</b>  | <b>35,547,044</b>  | <b>7,698,038</b>   | <b>8,683,020</b>   | <b>10,402,603</b>  | <b>9,885,145</b>   |
| <b>MCO TAX</b>  | <b>10,883,460</b>  | <b>10,883,460</b>  | <b>10,883,459</b>  | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>OPERATING INCOME (LOSS) NET OF TAX</b>   | <b>3,993,354</b>   | <b>11,627,938</b>  | <b>24,663,585</b>  | <b>7,698,038</b>   | <b>8,683,020</b>   | <b>10,402,603</b>  | <b>9,885,145</b>   |
| <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>   | <b>(5,428)</b>     | <b>4,000</b>       | <b>(34,557)</b>    | <b>(60,423)</b>    | <b>(153,079)</b>   | <b>(672,750)</b>   | <b>(310,622)</b>   |
| <b>NET INCREASE (DECREASE) IN NET POSITION</b>  | <b>3,987,926</b>   | <b>11,631,938</b>  | <b>24,629,028</b>  | <b>7,637,615</b>   | <b>8,529,941</b>   | <b>9,729,853</b>   | <b>9,574,523</b>   |
| <b>MEDICAL LOSS RATIO</b>   | <b>88.7%</b>       | <b>80.8%</b>       | <b>59.8%</b>       | <b>85.2%</b>       | <b>84.7%</b>       | <b>84.0%</b>       | <b>84.0%</b>       |
| <b>ADMINISTRATIVE EXPENSE RATIO</b>   | <b>6.6%</b>        | <b>6.4%</b>        | <b>10.1%</b>       | <b>6.5%</b>        | <b>6.6%</b>        | <b>6.8%</b>        | <b>6.4%</b>        |



| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>STATEMENT OF REVENUE, EXPENSES, AND<br>CHANGES IN NET POSITION BY MONTH -<br>ROLLING 13 MONTHS<br>THROUGH OCTOBER 31, 2023 | MAY<br>2023        | JUNE<br>2023       | JULY<br>2023       | AUGUST<br>2023     | SEPTEMBER<br>2023  | OCTOBER<br>2023    | 13 MONTH<br>TOTAL    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
|   | <b>ENROLLMENT</b>  |                    |                    |                    |                    |                    |                      |
| Members - MCAL  | 355,915            | 357,008            | 355,448            | 356,881            | 352,039            | 344,282            | 4,505,049            |
| <b>REVENUES</b>   |                    |                    |                    |                    |                    |                    |                      |
| Title XIX - Medicaid - Family and Other   | 44,450,874         | 45,303,824         | 45,811,582         | 41,688,820         | 43,328,819         | 42,099,200         | 536,608,855          |
| Title XIX - Medicaid - Expansion Members  | 38,238,101         | 38,910,749         | 38,966,690         | 37,219,564         | 38,490,002         | 36,217,555         | 467,777,783          |
| Title XIX - Medicaid - SPD Members  | 19,083,062         | 19,664,806         | 19,655,340         | 19,355,872         | 19,937,702         | 19,485,313         | 240,242,009          |
| Title XIX - Medicaid - LTC Members  | 3,026,025          | 3,130,269          | 2,933,682          | 3,019,928          | 3,149,260          | 2,973,589          | 27,185,565           |
| Premium - MCO Tax   | -                  | -                  | -                  | -                  | -                  | -                  | 32,650,379           |
| Premium - Hospital Directed Payments  | 21,792,771         | 22,188,234         | 21,822,439         | 21,933,791         | 21,801,472         | 21,376,726         | 283,057,083          |
| Investment Earnings And Other Income  | 651,530            | 1,485,525          | 1,706,041          | 1,300,264          | 1,438,685          | 2,404,743          | 16,261,574           |
| Reinsurance Recoveries  | -                  | -                  | -                  | -                  | -                  | -                  | 152,481              |
| Rate Adjustments - Hospital Directed Payments   | 5,509              | 15,555             | (15,187)           | 421,005            | 139,435            | 4,262              | 12,441,219           |
| Rate/Income Adjustments   | 1,497,916          | 213,618            | 1,690              | (38,135)           | 2,226,733          | (20,585)           | 7,112,510            |
| <b>TOTAL REVENUES</b>   | <b>128,745,788</b> | <b>130,912,580</b> | <b>130,882,277</b> | <b>124,901,109</b> | <b>130,512,108</b> | <b>124,540,803</b> | <b>1,623,489,458</b> |
| <b>EXPENSES</b>   |                    |                    |                    |                    |                    |                    |                      |
| <b>Medical Costs:</b>   |                    |                    |                    |                    |                    |                    |                      |
| Physician Services  | 21,747,296         | 21,895,594         | 20,488,109         | 20,619,449         | 21,311,972         | 20,657,868         | 261,452,792          |
| Other Professional Services   | 6,643,597          | 6,838,173          | 5,443,151          | 6,830,704          | 6,391,087          | 6,402,687          | 77,894,980           |
| Emergency Room  | 5,131,679          | 5,555,164          | 4,984,270          | 5,600,554          | 5,694,566          | 5,063,129          | 67,876,000           |
| Inpatient   | 21,382,030         | 19,096,686         | 22,316,634         | 20,877,596         | 24,726,100         | 25,452,067         | 278,743,703          |
| Reinsurance Expense   | 95,311             | 96,097             | 96,097             | 96,688             | 95,910             | 96,625             | 1,214,809            |
| Outpatient Hospital   | 11,009,988         | 10,557,328         | 10,233,407         | 10,613,553         | 11,158,217         | 12,146,983         | 134,378,948          |
| Other Medical   | 22,151,470         | 25,626,415         | 22,600,808         | 23,390,986         | 26,396,360         | 23,481,299         | 267,520,462          |
| Pay for Performance Quality Incentive   | 533,873            | 533,872            | 535,512            | 534,172            | 529,365            | 513,772            | 6,751,550            |
| Hospital Directed Payments  | 21,792,771         | 22,188,234         | 21,822,439         | 21,933,791         | 21,801,472         | 21,376,726         | 283,057,083          |
| Hospital Directed Payment Adjustment  | 123,932            | 15,555             | (15,187)           | 426,925            | (423,787)          | 4,263              | 11,100,193           |
| Non-Claims Expense Adjustment   | (2,449,080)        | 3,040              | 639,578            | 3,672              | 52,429             | (4,730)            | (2,946,030)          |
| IBNR, Incentive, Paid Claims Adjustment   | (4,472,016)        | (4,829,330)        | 707,021            | 438,520            | 701,159            | 614,589            | (22,815,143)         |
| <b>Total Medical Costs</b>  | <b>103,690,851</b> | <b>107,576,828</b> | <b>109,851,839</b> | <b>111,366,610</b> | <b>118,434,850</b> | <b>115,805,278</b> | <b>1,364,229,347</b> |
| <b>GROSS MARGIN</b>   | <b>25,054,937</b>  | <b>23,335,752</b>  | <b>21,030,438</b>  | <b>13,534,499</b>  | <b>12,077,258</b>  | <b>8,735,525</b>   | <b>259,260,111</b>   |
| <b>Administrative:</b>  |                    |                    |                    |                    |                    |                    |                      |
| Compensation  | 3,792,281          | 3,620,970          | 3,743,082          | 4,035,666          | 4,036,689          | 4,152,627          | 49,125,859           |
| Purchased Services  | 1,530,859          | 1,863,224          | 1,454,753          | 1,385,358          | 1,774,151          | 1,715,078          | 18,517,580           |
| Supplies  | 134,551            | 30,404             | 196,052            | 395,025            | 210,861            | 128,415            | 2,108,597            |
| Depreciation  | 685,407            | 685,551            | 686,781            | 693,125            | 693,125            | 657,439            | 8,663,200            |
| Other Administrative Expenses   | 441,734            | 562,847            | 623,127            | 435,112            | 436,285            | 505,416            | 6,639,288            |
| Administrative Expense Adjustment   | 300,950            | 501,326            | 300,183            | 12,969             | 267                | 0                  | 3,254,806            |
| <b>Total Administrative Expenses</b>  | <b>6,885,782</b>   | <b>7,264,322</b>   | <b>7,003,978</b>   | <b>6,957,255</b>   | <b>7,151,378</b>   | <b>7,158,975</b>   | <b>88,309,330</b>    |
| <b>TOTAL EXPENSES</b>   | <b>110,576,633</b> | <b>114,841,150</b> | <b>116,855,817</b> | <b>118,323,865</b> | <b>125,586,228</b> | <b>122,964,253</b> | <b>1,452,538,677</b> |
| <b>OPERATING INCOME (LOSS) BEFORE TAX</b>   | <b>18,169,155</b>  | <b>16,071,430</b>  | <b>14,026,460</b>  | <b>6,577,244</b>   | <b>4,925,880</b>   | <b>1,576,550</b>   | <b>170,950,781</b>   |
| <b>MCO TAX</b>  | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>32,650,379</b>    |
| <b>OPERATING INCOME (LOSS) NET OF TAX</b>   | <b>18,169,155</b>  | <b>16,071,430</b>  | <b>14,026,460</b>  | <b>6,577,244</b>   | <b>4,925,880</b>   | <b>1,576,550</b>   | <b>138,300,402</b>   |
| <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>   | <b>(300,144)</b>   | <b>(672,234)</b>   | <b>(307,680)</b>   | <b>(457,916)</b>   | <b>(481,380)</b>   | <b>(632,933)</b>   | <b>(4,085,146)</b>   |
| <b>NET INCREASE (DECREASE) IN NET POSITION</b>  | <b>17,869,011</b>  | <b>15,399,196</b>  | <b>13,718,780</b>  | <b>6,119,328</b>   | <b>4,444,500</b>   | <b>943,617</b>     | <b>134,215,256</b>   |
| <b>MEDICAL LOSS RATIO</b>   | <b>76.5%</b>       | <b>78.5%</b>       | <b>80.7%</b>       | <b>86.8%</b>       | <b>89.4%</b>       | <b>91.5%</b>       | <b>82.6%</b>         |
| <b>ADMINISTRATIVE EXPENSE RATIO</b>   | <b>6.4%</b>        | <b>6.7%</b>        | <b>6.4%</b>        | <b>6.8%</b>        | <b>6.6%</b>        | <b>6.9%</b>        | <b>6.8%</b>          |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>STATEMENT OF REVENUE, EXPENSES, AND<br>CHANGES IN NET POSITION BY MONTH - PMPM<br>ROLLING 13 MONTHS<br>THROUGH OCTOBER 31, 2023 | OCTOBER<br>2022 | NOVEMBER<br>2022 | DECEMBER<br>2022 | JANUARY<br>2023 | FEBRUARY<br>2023 | MARCH<br>2023 | APRIL<br>2023 |
|--|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|
| <b>ENROLLMENT</b>  |                 |                  |                  |                 |                  |               |               |
| Members - MCAL   | 329,121         | 331,947          | 336,514          | 332,387         | 349,492          | 351,010       | 353,005       |
| <b>REVENUES</b>  |                 |                  |                  |                 |                  |               |               |
| Title XIX - Medicaid - Family and Other  | 174.37          | 180.89           | 156.69           | 175.30          | 175.80           | 175.43        | 177.53        |
| Title XIX - Medicaid - Expansion Members   | 334.55          | 344.93           | 323.22           | 373.01          | 369.48           | 365.87        | 367.09        |
| Title XIX - Medicaid - SPD Members   | 926.33          | 919.20           | 897.35           | 1,038.82        | 1,030.33         | 1,029.51      | 1,052.05      |
| Title XIX - Medicaid - LTC Members   | 0.00            | 0.00             | 0.00             | 7,452.85        | 7,425.81         | 7,477.58      | 7,440.11      |
| Premium - MCO Tax  | 33.07           | 32.79            | 32.34            | 0.00            | 0.00             | 0.00          | 0.00          |
| Premium - Hospital Directed Payments   | 57.61           | 58.21            | 81.94            | 63.81           | 61.56            | 61.56         | 62.18         |
| Investment Earnings And Other Income   | 0.54            | 2.68             | 2.12             | 4.21            | 1.26             | 6.66          | 3.72          |
| Reinsurance Recoveries   | 0.00            | 0.00             | 0.45             | 0.00            | 0.00             | 0.00          | 0.00          |
| Rate Adjustments - Hospital Directed Payments  | 0.03            | (0.02)           | 36.99            | (2.06)          | 0.10             | 0.09          | 0.11          |
| Rate/Income Adjustments  | 0.38            | 3.91             | 0.99             | (2.91)          | 1.00             | 3.18          | 2.77          |
| <b>TOTAL REVENUES</b>  | <b>351.15</b>   | <b>364.06</b>    | <b>394.67</b>    | <b>341.46</b>   | <b>346.92</b>    | <b>353.49</b> | <b>353.94</b> |
| <b>EXPENSES</b>  |                 |                  |                  |                 |                  |               |               |
| Medical Costs:   |                 |                  |                  |                 |                  |               |               |
| Physician Services   | 55.21           | 55.68            | 49.56            | 61.08           | 54.90            | 58.82         | 60.23         |
| Other Professional Services  | 15.32           | 16.37            | 18.35            | 16.53           | 15.49            | 17.28         | 16.21         |
| Emergency Room   | 14.56           | 17.12            | 15.10            | 15.63           | 13.26            | 14.81         | 14.91         |
| Inpatient  | 68.25           | 55.47            | 37.42            | 68.12           | 62.39            | 65.52         | 67.93         |
| Reinsurance Expense  | 0.18            | 0.18             | 0.18             | 0.27            | 0.52             | 0.27          | 0.27          |
| Outpatient Hospital  | 28.32           | 26.29            | 27.02            | 28.93           | 27.62            | 32.37         | 30.84         |
| Other Medical  | 49.88           | 49.35            | 19.44            | 46.72           | 65.84            | 65.64         | 65.01         |
| Pay for Performance Quality Incentive  | 1.50            | 1.49             | 1.50             | 1.50            | 1.50             | 1.50          | 1.50          |
| Hospital Directed Payments   | 57.61           | 58.21            | 81.94            | 63.81           | 61.56            | 61.56         | 62.18         |
| Hospital Directed Payment Adjustment   | 0.03            | (0.02)           | 36.99            | (2.06)          | 0.10             | (2.48)        | 0.11          |
| Non-Claims Expense Adjustment  | (0.76)          | 0.01             | (3.18)           | (0.39)          | 0.01             | 0.21          | 0.50          |
| IBNR, Incentive, Paid Claims Adjustment  | (1.32)          | (1.32)           | (19.92)          | 0.03            | 0.09             | (11.42)       | (12.55)       |
| <b>Total Medical Costs</b>   | <b>288.78</b>   | <b>278.84</b>    | <b>268.04</b>    | <b>300.18</b>   | <b>303.28</b>    | <b>304.09</b> | <b>307.13</b> |
| <b>GROSS MARGIN</b>  | <b>62.37</b>    | <b>85.22</b>     | <b>126.64</b>    | <b>41.29</b>    | <b>43.64</b>     | <b>49.40</b>  | <b>46.80</b>  |
| Administrative:  |                 |                  |                  |                 |                  |               |               |
| Compensation   | 10.29           | 9.76             | 13.99            | 10.67           | 9.99             | 10.70         | 10.24         |
| Purchased Services   | 3.07            | 3.12             | 3.75             | 2.83            | 4.43             | 4.32          | 4.20          |
| Supplies   | 0.20            | 0.78             | 0.65             | 0.26            | 0.46             | 0.30          | 0.32          |
| Depreciation   | 1.78            | 1.88             | 1.87             | 2.05            | 1.94             | 1.94          | 1.94          |
| Other Administrative Expenses  | 0.92            | 0.96             | 2.87             | 1.99            | 1.10             | 1.59          | 1.25          |
| Administrative Expense Adjustment  | 0.91            | 0.90             | 1.51             | 0.33            | 0.86             | 0.91          | 0.85          |
| <b>Total Administrative Expenses</b>   | <b>17.17</b>    | <b>17.40</b>     | <b>24.64</b>     | <b>18.13</b>    | <b>18.79</b>     | <b>19.76</b>  | <b>18.80</b>  |
| <b>TOTAL EXPENSES</b>  | <b>305.95</b>   | <b>296.24</b>    | <b>292.68</b>    | <b>318.30</b>   | <b>322.07</b>    | <b>323.86</b> | <b>325.93</b> |
| <b>OPERATING INCOME (LOSS) BEFORE TAX</b>  | <b>45.20</b>    | <b>67.82</b>     | <b>102.00</b>    | <b>23.16</b>    | <b>24.84</b>     | <b>29.64</b>  | <b>28.00</b>  |
| MCO TAX  | 33.07           | 32.79            | 32.34            | 0.00            | 0.00             | 0.00          | 0.00          |
| <b>OPERATING INCOME (LOSS) NET OF TAX</b>  | <b>12.13</b>    | <b>35.03</b>     | <b>69.65</b>     | <b>23.16</b>    | <b>24.84</b>     | <b>29.64</b>  | <b>28.00</b>  |
| <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>  | <b>(0.02)</b>   | <b>0.01</b>      | <b>(0.10)</b>    | <b>(0.18)</b>   | <b>(0.44)</b>    | <b>(1.92)</b> | <b>(0.88)</b> |
| <b>NET INCREASE (DECREASE) IN NET POSITION</b>   | <b>12.12</b>    | <b>35.04</b>     | <b>69.55</b>     | <b>22.98</b>    | <b>24.41</b>     | <b>27.72</b>  | <b>27.12</b>  |
| <b>MEDICAL LOSS RATIO</b>  | <b>88.7%</b>    | <b>80.8%</b>     | <b>61.3%</b>     | <b>85.2%</b>    | <b>84.7%</b>     | <b>84.0%</b>  | <b>84.0%</b>  |
| <b>ADMINISTRATIVE EXPENSE RATIO</b>  | <b>6.6%</b>     | <b>6.4%</b>      | <b>10.1%</b>     | <b>6.5%</b>     | <b>6.6%</b>      | <b>6.8%</b>   | <b>6.4%</b>   |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>STATEMENT OF REVENUE, EXPENSES, AND<br>CHANGES IN NET POSITION BY MONTH - PMPM<br>ROLLING 13 MONTHS<br>THROUGH OCTOBER 31, 2023 | MAY           | JUNE          | JULY          | AUGUST        | SEPTEMBER     | OCTOBER       | 13 MONTH      |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2023          | 2023          | 2023          | 2023          | 2023          | 2023          | TOTAL         |
| <b>ENROLLMENT</b>  |               |               |               |               |               |               |               |
| Members - MCAL   | 355,915       | 357,008       | 355,448       | 356,881       | 352,039       | 344,282       | 4,505,049     |
| <b>REVENUES</b>  |               |               |               |               |               |               |               |
| Title XIX - Medicaid - Family and Other  | 187.74        | 190.94        | 195.08        | 177.66        | 185.02        | 183.11        | 179.51        |
| Title XIX - Medicaid - Expansion Members   | 381.03        | 383.36        | 409.60        | 390.36        | 385.48        | 378.12        | 366.37        |
| Title XIX - Medicaid - SPD Members   | 1,037.24      | 1,052.72      | 1,127.03      | 1,110.24      | 1,081.04      | 1,071.80      | 1,021.17      |
| Title XIX - Medicaid - LTC Members   | 7,546.20      | 7,506.64      | 7,445.89      | 7,530.99      | 7,892.88      | 7,342.20      | 7,472.67      |
| Premium - MCO Tax  | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 7.25          |
| Premium - Hospital Directed Payments   | 61.23         | 62.15         | 61.39         | 61.46         | 61.93         | 62.09         | 62.83         |
| Investment Earnings And Other Income   | 1.83          | 4.16          | 4.80          | 3.64          | 4.09          | 6.98          | 3.61          |
| Reinsurance Recoveries   | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.03          |
| Rate Adjustments - Hospital Directed Payments  | 0.02          | 0.04          | (0.04)        | 1.18          | 0.40          | 0.01          | 2.76          |
| Rate/Income Adjustments  | 4.21          | 0.60          | 0.00          | (0.11)        | 6.33          | (0.06)        | 1.58          |
| <b>TOTAL REVENUES</b>  | <b>361.73</b> | <b>366.69</b> | <b>368.22</b> | <b>349.98</b> | <b>370.73</b> | <b>361.74</b> | <b>360.37</b> |
| <b>EXPENSES</b>  |               |               |               |               |               |               |               |
| Medical Costs:   |               |               |               |               |               |               |               |
| Physician Services   | 61.10         | 61.33         | 57.64         | 57.78         | 60.54         | 60.00         | 58.04         |
| Other Professional Services  | 18.67         | 19.15         | 15.31         | 19.14         | 18.15         | 18.60         | 17.29         |
| Emergency Room   | 14.42         | 15.56         | 14.02         | 15.69         | 16.18         | 14.71         | 15.07         |
| Inpatient  | 60.08         | 53.49         | 62.78         | 58.50         | 70.24         | 73.93         | 61.87         |
| Reinsurance Expense  | 0.27          | 0.27          | 0.27          | 0.27          | 0.27          | 0.28          | 0.27          |
| Outpatient Hospital  | 30.93         | 29.57         | 28.79         | 29.74         | 31.70         | 35.28         | 29.83         |
| Other Medical  | 62.24         | 71.78         | 63.58         | 65.54         | 74.98         | 68.20         | 59.38         |
| Pay for Performance Quality Incentive  | 1.50          | 1.50          | 1.51          | 1.50          | 1.50          | 1.49          | 1.50          |
| Hospital Directed Payments   | 61.23         | 62.15         | 61.39         | 61.46         | 61.93         | 62.09         | 62.83         |
| Hospital Directed Payment Adjustment   | 0.35          | 0.04          | (0.04)        | 1.20          | (1.20)        | 0.01          | 2.46          |
| Non-Claims Expense Adjustment  | (6.88)        | 0.01          | 1.80          | 0.01          | 0.15          | (0.01)        | (0.65)        |
| IBNR, Incentive, Paid Claims Adjustment  | (12.56)       | (13.53)       | 1.99          | 1.23          | 1.99          | 1.79          | (5.06)        |
| Total Medical Costs  | 291.34        | 301.33        | 309.05        | 312.06        | 336.43        | 336.37        | 302.82        |
| <b>GROSS MARGIN</b>  | <b>70.40</b>  | <b>65.36</b>  | <b>59.17</b>  | <b>37.92</b>  | <b>34.31</b>  | <b>25.37</b>  | <b>57.55</b>  |
| Administrative:  |               |               |               |               |               |               |               |
| Compensation   | 10.66         | 10.14         | 10.53         | 11.31         | 11.47         | 12.06         | 10.90         |
| Purchased Services   | 4.30          | 5.22          | 4.09          | 3.88          | 5.04          | 4.98          | 4.11          |
| Supplies   | 0.38          | 0.09          | 0.55          | 1.11          | 0.60          | 0.37          | 0.47          |
| Depreciation   | 1.93          | 1.92          | 1.93          | 1.94          | 1.97          | 1.91          | 1.92          |
| Other Administrative Expenses  | 1.24          | 1.58          | 1.75          | 1.22          | 1.24          | 1.47          | 1.47          |
| Administrative Expense Adjustment  | 0.85          | 1.40          | 0.84          | 0.04          | 0.00          | 0.00          | 0.72          |
| Total Administrative Expenses  | 19.35         | 20.35         | 19.70         | 19.49         | 20.31         | 20.79         | 19.60         |
| <b>TOTAL EXPENSES</b>  | <b>310.68</b> | <b>321.68</b> | <b>328.76</b> | <b>331.55</b> | <b>356.74</b> | <b>357.16</b> | <b>322.42</b> |
| <b>OPERATING INCOME (LOSS) BEFORE TAX</b>  | <b>51.05</b>  | <b>45.02</b>  | <b>39.46</b>  | <b>18.43</b>  | <b>13.99</b>  | <b>4.58</b>   | <b>37.95</b>  |
| <b>MCO TAX</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   | <b>7.25</b>   |
| <b>OPERATING INCOME (LOSS) NET OF TAX</b>  | <b>51.05</b>  | <b>45.02</b>  | <b>39.46</b>  | <b>18.43</b>  | <b>13.99</b>  | <b>4.58</b>   | <b>30.70</b>  |
| <b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>  | <b>(0.84)</b> | <b>(1.88)</b> | <b>(0.87)</b> | <b>(1.28)</b> | <b>(1.37)</b> | <b>(1.84)</b> | <b>(0.91)</b> |
| <b>NET INCREASE (DECREASE) IN NET POSITION</b>   | <b>50.21</b>  | <b>43.13</b>  | <b>38.60</b>  | <b>17.15</b>  | <b>12.63</b>  | <b>2.74</b>   | <b>29.79</b>  |
| <b>MEDICAL LOSS RATIO</b>  | <b>76.5%</b>  | <b>78.5%</b>  | <b>80.7%</b>  | <b>86.8%</b>  | <b>89.4%</b>  | <b>91.5%</b>  | <b>82.6%</b>  |
| <b>ADMINISTRATIVE EXPENSE RATIO</b>  | <b>6.4%</b>   | <b>6.7%</b>   | <b>6.4%</b>   | <b>6.8%</b>   | <b>6.6%</b>   | <b>6.9%</b>   | <b>6.8%</b>   |

| CURRENT MONTH                            |            |             | KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF REVENUES - ALL COA<br>FOR THE MONTH ENDED OCTOBER 31, 2023 | YEAR-TO-DATE       |                    |                     |
|--|------------|-------------|---|--------------------|--------------------|---------------------|
| ACTUAL                                   | BUDGET     | VARIANCE    |   | ACTUAL             | BUDGET             | VARIANCE            |
| <b>R E V E N U E S</b>                   |            |             |   |                    |                    |                     |
| Title XIX - Medicaid - Family & Other    |            |             |   |                    |                    |                     |
| 33,548,702                               | 34,129,887 | (581,185)   | Premium - Medi-Cal  | 338,457,798        | 340,589,509        | (2,131,711)         |
| 3,107,040                                | 2,782,482  | 324,558     | Premium - Maternity Kick  | 26,567,245         | 27,824,820         | (1,257,575)         |
| 655,221                                  | 680,715    | (25,494)    | Premium - Enhanced Care Management  | 6,514,827          | 6,701,472          | (186,645)           |
| 208,098                                  | 153,569    | 54,529      | Premium - Major Organ Transplant  | 2,104,643          | 1,544,667          | 559,976             |
| -  | 517,783    | (517,783)   | Premium - Cal AIM   | 4,521,000          | 5,187,326          | (666,326)           |
| 3,504,175                                | 3,624,992  | (120,817)   | Premium - Provider Enhancement  | 35,823,553         | 36,621,394         | (797,841)           |
| 162,206                                  | 185,266    | (23,060)    | Premium - Ground Emergency Medical Transportation   | 1,658,464          | 1,872,834          | (214,370)           |
| 800,604                                  | 245,400    | 555,204     | Premium - Student Behavioral Health Incentive   | 4,372,077          | 2,454,000          | 1,918,077           |
| -  | 352,514    | (352,514)   | Premium - Housing and Homelessness Incentive  | 3,487,489          | 3,525,140          | (37,651)            |
| 113,154                                  | 116,448    | (3,294)     | Other   | 1,159,286          | 1,183,700          | (24,414)            |
| 42,099,200                               | 42,789,057 | (689,857)   | <b>Total Title XIX - Medicaid - Family &amp; Other</b>  | <b>424,666,382</b> | <b>427,504,863</b> | <b>(2,838,481)</b>  |
| Title XIX - Medicaid - Expansion Members |            |             |   |                    |                    |                     |
| 32,327,347                               | 29,744,189 | 2,583,159   | Premium - Medi-Cal  | 330,495,387        | 302,623,329        | 27,872,059          |
| 504,328                                  | 236,486    | 267,842     | Premium - Maternity Kick  | 5,476,765          | 2,364,859          | 3,111,906           |
| 787,228                                  | 932,274    | (145,046)   | Premium - Enhanced Care Management  | 8,058,898          | 9,487,380          | (1,428,482)         |
| 324,562                                  | 232,842    | 91,720      | Premium - Major Organ Transplant  | 3,324,192          | 2,369,540          | 954,652             |
| -  | 401,837    | (401,837)   | Premium - Cal AIM   | 1,932,701          | 13,412,652         | (11,479,951)        |
| 1,665,442                                | 1,543,153  | 122,289     | Premium - Provider Enhancement  | 17,080,308         | 4,740,491          | 12,339,817          |
| 230,998                                  | 201,243    | 29,755      | Premium - Ground Emergency Medical Transportation   | 2,370,892          | 1,971,058          | 399,834             |
| 342,442                                  | 195,905    | 146,537     | Premium - Student Behavioral Health Incentive   | 1,854,243          | 2,643,130          | (788,887)           |
| -  | 281,415    | (281,415)   | Premium - Housing and Homelessness Incentive  | 1,478,208          | 829,302            | 648,906             |
| 35,208                                   | 32,616     | 2,592       | Other   | 359,342            | 298,872            | 60,470              |
| 36,217,555                               | 33,801,959 | 2,415,596   | <b>Total Title XIX - Medicaid - Expansion Members</b>   | <b>372,430,936</b> | <b>340,740,612</b> | <b>31,690,324</b>   |
| Title XIX - Medicaid - SPD Members       |            |             |   |                    |                    |                     |
| 18,072,078                               | 18,319,488 | (247,410)   | Premium - Medi-Cal  | 178,643,461        | 185,276,641        | (6,633,180)         |
| 425,306                                  | 503,184    | (77,878)    | Premium - Enhanced Care Management  | 4,196,886          | 5,089,020          | (892,134)           |
| 251,411                                  | 159,984    | 91,427      | Premium - Major Organ Transplant  | 2,489,989          | 1,618,020          | 871,969             |
| -  | 248,345    | (248,345)   | Premium - Cal AIM   | 353,436            | 2,564,851          | (2,211,415)         |
| 529,136                                  | 455,829    | 73,307      | Premium - Provider Enhancement  | 5,226,607          | 4,610,085          | 616,522             |
| 144,130                                  | 140,976    | 3,154       | Premium - Ground Emergency Medical Transportation   | 1,421,836          | 1,425,780          | (3,944)             |
| 63,252                                   | 119,827    | (56,575)    | Premium - Student Behavioral Health Incentive   | 346,311            | 1,198,270          | (851,959)           |
| -  | 172,130    | (172,130)   | Premium - Housing and Homelessness Incentive  | 271,001            | 1,721,300          | (1,450,299)         |
| 19,485,313                               | 20,119,763 | (634,450)   | <b>Total Title XIX - Medicaid - SPD Members</b>   | <b>192,949,527</b> | <b>203,503,967</b> | <b>(10,554,440)</b> |
| Title XIX - Medicaid - LTC Members       |            |             |   |                    |                    |                     |
| 2,951,326                                | 4,530,470  | (1,579,144) | Premium - Medi-Cal  | 26,976,668         | 33,958,140         | (6,981,472)         |
| 9,022                                    | 14,512     | (5,490)     | Premium - Enhanced Care Management  | 82,127             | 108,998            | (26,871)            |
| 10,892                                   | 21,119     | (10,227)    | Premium - Major Organ Transplant  | 98,129             | 159,751            | (61,622)            |
| -  | -          | -           | Premium - Cal AIM   | 7,846              | -                  | 7,846               |
| 218                                      | 343        | (125)       | Premium - Provider Enhancement  | 1,636              | 3,087              | (1,451)             |
| 762                                      | -          | 762         | Premium - Ground Emergency Medical Transportation   | 5,811              | -                  | 5,811               |
| 1,369                                    | -          | 1,369       | Premium - Student Behavioral Health Incentive   | 7,441              | -                  | 7,441               |
| -  | -          | -           | Premium - Housing and Homelessness Incentive  | 5,907              | -                  | 5,907               |
| 2,973,589                                | 4,566,444  | (1,592,855) | <b>Total Title XIX - Medicaid - LTC Members</b>   | <b>27,185,565</b>  | <b>34,229,976</b>  | <b>(7,044,411)</b>  |

| CURRENT MONTH                                      |             |             | KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF MEDICAL COSTS - ALL COA<br>FOR THE MONTH ENDED OCTOBER 31, 2023 | YEAR-TO-DATE  |               |             |
|--|-------------|-------------|--|---------------|---------------|-------------|
| ACTUAL   | BUDGET      | VARIANCE    |  | ACTUAL        | BUDGET        | VARIANCE    |
| <b>PHYSICIAN SERVICES</b>                          |             |             |  |               |               |             |
| 4,184,532  | 4,404,348   | 219,816     | Primary Care Physician Services  | 40,944,177    | 44,290,223    | 3,346,046   |
| 14,803,542   | 14,402,449  | (401,093)   | Referral Specialty Services  | 146,328,475   | 145,243,821   | (1,084,654) |
| 1,660,494  | 2,529,404   | 868,910     | Urgent Care & After Hours Advise   | 20,757,216    | 25,438,171    | 4,680,955   |
| 9,300  | 9,300       | -           | Hospital Admitting Team  | 91,200        | 91,200        | -           |
| 20,657,868   | 21,345,501  | 687,633     | <b>TOTAL PHYSICIAN SERVICES</b>  | 208,121,068   | 215,063,415   | 6,942,347   |
| <b>OTHER PROFESSIONAL SERVICES</b>                 |             |             |  |               |               |             |
| 357,871  | 353,758     | (4,113)     | Vision Service Capitation  | 3,507,290     | 3,556,387     | 49,097      |
| 3,315,792  | 2,804,617   | (511,175)   | Medical Departments - UM Allocation *  | 23,006,800    | 28,046,167    | 5,039,367   |
| 1,543,818  | 1,446,424   | (97,394)    | Behavior Health Treatment  | 17,707,157    | 14,540,017    | (3,167,140) |
| 162,248  | 432,082     | 269,834     | Mental Health Services   | 2,439,816     | 4,351,431     | 1,911,615   |
| 1,022,958  | 1,876,010   | 853,052     | Other Professional Services  | 14,583,846    | 18,921,959    | 4,338,113   |
| 6,402,687  | 6,912,891   | 510,204     | <b>TOTAL OTHER PROFESSIONAL SERVICES</b>   | 61,244,909    | 69,415,961    | 8,171,052   |
| <b>EMERGENCY ROOM</b>                              |             |             |  |               |               |             |
| 5,063,129  | 5,717,882   | 654,753     |  | 52,320,827    | 57,593,839    | 5,273,012   |
| <b>INPATIENT HOSPITAL</b>                          |             |             |  |               |               |             |
| 25,452,067   | 23,349,529  | (2,102,538) |  | 225,274,907   | 235,742,532   | 10,467,625  |
| <b>REINSURANCE EXPENSE PREMIUM</b>                 |             |             |  |               |               |             |
| 96,625   | 76,112      | (20,513)    |  | 1,037,660     | 765,156       | (272,504)   |
| <b>OUTPATIENT HOSPITAL SERVICES</b>                |             |             |  |               |               |             |
| 12,146,983   | 10,400,616  | (1,746,367) |  | 107,238,084   | 104,310,628   | (2,927,456) |
| <b>OTHER MEDICAL</b>                               |             |             |  |               |               |             |
| 2,757,669  | 1,641,304   | (1,116,365) | Ambulance and NEMT   | 23,265,133    | 16,511,833    | (6,753,300) |
| 612,929  | 995,801     | 382,872     | Home Health Services & CBAS  | 6,987,080     | 10,048,473    | 3,061,393   |
| 1,481,065  | 1,592,010   | 110,945     | Utilization and Quality Review Expenses  | 10,893,693    | 15,920,097    | 5,026,404   |
| 6,249,427  | 10,099,670  | 3,850,243   | Long Term/SNF/Hospice  | 68,623,410    | 92,548,678    | 23,925,268  |
| 5,414,023  | 5,322,232   | (91,791)    | Provider Enhancement Expense - Prop. 56  | 55,225,499    | 53,533,997    | (1,691,502) |
| 675,052  | 501,111     | (173,941)   | Provider Enhancement Expense - GEMT  | 6,177,126     | 5,079,235     | (1,097,891) |
| 1,512,905  | 2,024,150   | 511,245     | Enhanced Care Management   | 19,148,887    | 20,317,522    | 1,168,635   |
| 755,216  | 539,138     | (216,078)   | Major Organ Transplant   | 7,627,312     | 5,407,379     | (2,219,933) |
| 2,587,965  | 2,408,399   | (179,566)   | Cal AIM Incentive Programs   | 17,119,092    | 24,296,425    | 7,177,333   |
| 1,435,048  | 1,055,391   | (379,657)   | DME/Rebates  | 13,109,190    | 10,648,240    | (2,460,950) |
| 23,481,299   | 26,179,206  | 2,697,907   | <b>TOTAL OTHER MEDICAL</b>   | 228,176,422   | 254,311,880   | 26,135,458  |
| <b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>       |             |             |  |               |               |             |
| 513,772  | 517,969     | 4,197       |  | 5,259,417     | 5,209,696     | (49,721)    |
| <b>HOSPITAL DIRECTED PAYMENTS</b>                  |             |             |  |               |               |             |
| 21,376,726   | 20,753,610  | (623,116)   |  | 217,198,911   | 210,031,832   | (7,167,079) |
| <b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>        |             |             |  |               |               |             |
| 4,263  | -           | (4,263)     |  | (1,350,593)   | -             | 1,350,593   |
| <b>NON-CLAIMS EXPENSE ADJUSTMENT</b>               |             |             |  |               |               |             |
| (4,730)  | -           | 4,730       |  | (1,630,016)   | -             | 1,630,016   |
| <b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b> |             |             |  |               |               |             |
| 614,589  | -           | (614,589)   |  | (15,238,489)  | -             | 15,238,489  |
| 115,805,278  | 115,253,314 | (551,964)   | <b>Total Medical Costs</b>   | 1,087,653,107 | 1,152,444,939 | 64,791,832  |

\* Medical costs per DMHC regulations

| CURRENT MONTH |        |          | KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF MEDICAL COSTS - ALL COA - PMPM<br>FOR THE MONTH ENDED OCTOBER 31, 2023 | YEAR-TO-DATE |        |          |
|---------------|--------|----------|---|--------------|--------|----------|
| ACTUAL        | BUDGET | VARIANCE |   | ACTUAL       | BUDGET | VARIANCE |
|               |        |          | <b>PHYSICIAN SERVICES</b>   |              |        |          |
| 12.15         | 12.75  | 0.60     | Primary Care Physician Services   | 11.67        | 12.75  | 1.08     |
| 43.00         | 41.69  | (1.31)   | Referral Specialty Services   | 41.72        | 41.82  | 0.10     |
| 4.82          | 7.32   | 2.50     | Urgent Care & After Hours Advise  | 5.92         | 7.32   | 1.41     |
| 0.03          | 0.03   | (0.00)   | Hospital Admitting Team   | 0.03         | 0.03   | 0.00     |
| 60.00         | 61.79  | 1.79     | <b>TOTAL PHYSICIAN SERVICES</b>   | 59.34        | 61.93  | 2.59     |
|               |        |          | <b>OTHER PROFESSIONAL SERVICES</b>  |              |        |          |
| 1.04          | 1.02   | (0.02)   | Vision Service Capitation   | 1.00         | 1.02   | 0.02     |
| 9.63          | 8.12   | (1.51)   | Medical Departments - UM Allocation *   | 6.56         | 8.08   | 1.52     |
| 4.48          | 4.19   | (0.30)   | Behavior Health Treatment   | 5.05         | 4.19   | (0.86)   |
| 0.47          | 1.25   | 0.78     | Mental Health Services  | 0.70         | 1.25   | 0.56     |
| 2.97          | 5.43   | 2.46     | Other Professional Services   | 4.16         | 5.45   | 1.29     |
| 18.60         | 20.01  | 1.41     | <b>TOTAL OTHER PROFESSIONAL SERVICES</b>  | 17.46        | 19.99  | 2.53     |
| 14.71         | 16.55  | 1.85     | <b>EMERGENCY ROOM</b>   | 14.92        | 16.58  | 1.67     |
| 73.93         | 67.59  | (6.34)   | <b>INPATIENT HOSPITAL</b>   | 64.23        | 67.88  | 3.65     |
| 0.28          | 0.22   | (0.06)   | <b>REINSURANCE EXPENSE PREMIUM</b>  | 0.30         | 0.22   | (0.08)   |
| 35.28         | 30.11  | (5.17)   | <b>OUTPATIENT HOSPITAL SERVICES</b>   | 30.57        | 30.04  | (0.54)   |
|               |        |          | <b>OTHER MEDICAL</b>  |              |        |          |
| 8.01          | 4.75   | (3.26)   | Ambulance and NEMT  | 6.63         | 4.75   | (1.88)   |
| 1.78          | 2.88   | 1.10     | Home Health Services & CBAS   | 1.99         | 2.89   | 0.90     |
| 4.30          | 4.61   | 0.31     | Utilization and Quality Review Expenses   | 3.11         | 4.58   | 1.48     |
| 18.15         | 29.24  | 11.08    | Long Term/SNF/Hospice   | 19.56        | 26.65  | 7.08     |
| 15.73         | 15.41  | (0.32)   | Provider Enhancement Expense - Prop. 56   | 15.75        | 15.42  | (0.33)   |
| 1.96          | 1.45   | (0.51)   | Provider Enhancement Expense - GEMT   | 1.76         | 1.46   | (0.30)   |
| 4.39          | 5.86   | 1.47     | Enhanced Care Management  | 5.46         | 5.85   | 0.39     |
| 2.19          | 1.56   | (0.63)   | Major Organ Transplant  | 2.17         | 1.56   | (0.62)   |
| 7.52          | 6.97   | (0.55)   | Cal AIM Incentive Programs  | 4.88         | 7.00   | 2.12     |
| 4.17          | 3.06   | (1.11)   | DME   | 3.74         | 3.07   | (0.67)   |
| 68.20         | 75.78  | 7.58     | <b>TOTAL OTHER MEDICAL</b>  | 65.05        | 73.23  | 8.17     |
| 1.49          | 1.50   | 0.01     | <b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>  | 1.50         | 1.50   | 0.00     |
| 62.09         | 60.08  | (2.01)   | <b>HOSPITAL DIRECTED PAYMENTS</b>   | 61.92        | 60.48  | (1.45)   |
| 0.01          | 0.00   | (0.01)   | <b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>   | (0.39)       | 0.00   | 0.39     |
| (0.01)        | 0.00   | 0.01     | <b>NON-CLAIMS EXPENSE ADJUSTMENT</b>  | (0.46)       | 0.00   | 0.46     |
| 1.79          | 0.00   | (1.79)   | <b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>  | (4.34)       | 0.00   | 4.34     |
| 336.37        | 333.63 | (2.74)   | <b>Total Medical Costs</b>  | 310.10       | 331.84 | 21.75    |

\* Medical costs per DMHC regulations

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF MEDICAL COSTS BY MONTH<br>FOR THE MONTH ENDED OCTOBER 31, 2023 | JANUARY<br>2023   | FEBRUARY<br>2023   | MARCH<br>2023      | APRIL<br>2023      | MAY<br>2023        | JUNE<br>2023       | JULY<br>2023       | AUGUST<br>2023     | SEPTEMBER<br>2023  | OCTOBER<br>2023    | YEAR TO<br>DATE<br>2023 |
|---|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------------|
| <b>PHYSICIAN SERVICES</b>   |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                         |
| Primary Care Physician Services   | 4,153,283         | 3,799,063          | 3,973,992          | 4,241,474          | 4,159,263          | 4,419,579          | 4,057,408          | 3,995,558          | 3,960,025          | 4,184,532          | 40,944,177              |
| Referral Specialty Services   | 14,090,583        | 13,535,172         | 14,603,368         | 14,737,274         | 15,505,030         | 15,425,047         | 14,306,450         | 14,487,772         | 14,834,237         | 14,803,542         | 146,328,475             |
| Urgent Care & After Hours Advise  | 2,048,906         | 1,845,306          | 2,061,385          | 2,274,974          | 2,073,703          | 2,041,968          | 2,114,951          | 2,126,819          | 2,508,710          | 1,660,494          | 20,757,216              |
| Hospital Admitting Team   | 9,300             | 8,400              | 9,300              | 9,000              | 9,300              | 9,000              | 9,300              | 9,300              | 9,000              | 9,300              | 91,200                  |
| <b>TOTAL PHYSICIAN SERVICES</b>   | <b>20,302,072</b> | <b>19,187,941</b>  | <b>20,648,045</b>  | <b>21,262,722</b>  | <b>21,747,296</b>  | <b>21,895,594</b>  | <b>20,488,109</b>  | <b>20,619,449</b>  | <b>21,311,972</b>  | <b>20,657,868</b>  | <b>208,121,068</b>      |
| <b>OTHER PROFESSIONAL SERVICES</b>  |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                         |
| Vision Service Capitation   | 332,837           | 342,049            | 345,365            | 351,010            | 353,005            | 355,915            | 355,915            | 358,101            | 355,222            | 357,871            | 3,507,290               |
| Medical Departments - UM Allocation *   | 2,029,340         | 1,998,969          | 2,193,964          | 1,979,088          | 2,088,352          | 2,418,747          | 2,070,475          | 2,247,899          | 2,664,174          | 3,315,792          | 23,006,800              |
| Behavior Health Treatment   | 1,234,423         | 1,340,804          | 1,751,711          | 1,545,908          | 2,409,753          | 2,090,128          | 1,277,790          | 2,543,178          | 1,969,644          | 1,543,818          | 17,707,157              |
| Mental Health Services  | 378,598           | 277,029            | 277,573            | 229,037            | 195,793            | 258,806            | 246,684            | 204,118            | 209,930            | 162,248            | 2,439,816               |
| Other Professional Services   | 1,518,707         | 1,454,787          | 1,498,555          | 1,615,756          | 1,596,694          | 1,714,577          | 1,492,287          | 1,477,408          | 1,192,117          | 1,022,958          | 14,583,846              |
| <b>TOTAL OTHER PROFESSIONAL SERVICES</b>  | <b>5,493,905</b>  | <b>5,413,638</b>   | <b>6,067,168</b>   | <b>5,720,799</b>   | <b>6,643,597</b>   | <b>6,838,173</b>   | <b>5,443,151</b>   | <b>6,830,704</b>   | <b>6,391,087</b>   | <b>6,402,687</b>   | <b>61,244,909</b>       |
| <b>EMERGENCY ROOM</b>   | <b>5,195,994</b>  | <b>4,633,288</b>   | <b>5,199,635</b>   | <b>5,262,548</b>   | <b>5,131,679</b>   | <b>5,555,164</b>   | <b>4,984,270</b>   | <b>5,600,554</b>   | <b>5,694,566</b>   | <b>5,063,129</b>   | <b>52,320,827</b>       |
| <b>INPATIENT HOSPITAL</b>   | <b>22,641,712</b> | <b>21,804,027</b>  | <b>22,997,133</b>  | <b>23,980,922</b>  | <b>21,382,030</b>  | <b>19,096,686</b>  | <b>22,316,634</b>  | <b>20,877,596</b>  | <b>24,726,100</b>  | <b>25,452,067</b>  | <b>225,274,907</b>      |
| <b>REINSURANCE EXPENSE PREMIUM</b>  | <b>90,859</b>     | <b>180,937</b>     | <b>94,363</b>      | <b>94,773</b>      | <b>95,311</b>      | <b>96,097</b>      | <b>96,097</b>      | <b>96,688</b>      | <b>95,910</b>      | <b>96,625</b>      | <b>1,037,660</b>        |
| <b>OUTPATIENT HOSPITAL SERVICES</b>   | <b>9,616,781</b>  | <b>9,652,797</b>   | <b>11,362,056</b>  | <b>10,886,974</b>  | <b>11,009,988</b>  | <b>10,557,328</b>  | <b>10,233,407</b>  | <b>10,613,553</b>  | <b>11,158,217</b>  | <b>12,146,983</b>  | <b>107,238,084</b>      |
| <b>OTHER MEDICAL</b>  |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                         |
| Ambulance and NEMT  | 1,792,123         | 1,754,080          | 2,159,726          | 2,210,825          | 2,254,991          | 2,412,744          | 2,238,756          | 2,359,014          | 3,325,205          | 2,757,669          | 23,265,133              |
| Home Health Services & CBAS   | 970,272           | 809,536            | 996,283            | 547,188            | 451,622            | 374,989            | 586,872            | 916,002            | 721,387            | 612,929            | 6,987,080               |
| Utilization and Quality Review Expenses   | 776,558           | 583,384            | 940,138            | 1,342,680          | 785,929            | 1,393,601          | 788,697            | 2,133,022          | 668,619            | 1,481,065          | 10,893,693              |
| Long Term/SNF/Hospice   | 2,732,047         | 9,988,072          | 8,775,140          | 8,087,627          | 4,695,700          | 8,480,647          | 6,335,360          | 3,942,751          | 9,336,639          | 6,249,427          | 68,623,410              |
| Provider Enhancement Expense - Prop. 56   | 5,430,893         | 5,482,690          | 5,503,401          | 5,566,537          | 5,561,460          | 5,630,380          | 5,547,690          | 5,566,967          | 5,521,458          | 5,414,023          | 55,225,499              |
| Provider Enhancement Expense - GEMT   | 496,477           | 513,773            | 505,452            | 469,079            | 562,775            | 502,239            | 899,077            | 868,900            | 684,302            | 675,052            | 6,177,126               |
| Enhanced Care Management  | 1,428,973         | 1,778,842          | 1,790,813          | 1,814,108          | 1,811,803          | 2,586,249          | 1,717,288          | 2,733,244          | 1,974,662          | 1,512,905          | 19,148,887              |
| Major Organ Transplant  | 751,183           | 712,804            | 753,883            | 766,976            | 758,618            | 774,606            | 765,681            | 770,746            | 817,599            | 755,216            | 7,627,312               |
| Cal AIM Incentive Programs  | 30,326            | 279,307            | 295,429            | 917,196            | 3,833,523          | 2,195,256          | 2,372,608          | 2,549,680          | 2,057,802          | 2,587,965          | 17,119,092              |
| DME   | 1,119,968         | 1,108,882          | 1,320,219          | 1,226,194          | 1,435,049          | 1,275,704          | 1,348,779          | 1,550,660          | 1,288,687          | 1,435,048          | 13,109,190              |
| <b>TOTAL OTHER MEDICAL</b>  | <b>15,528,820</b> | <b>23,011,370</b>  | <b>23,040,484</b>  | <b>22,948,410</b>  | <b>22,151,470</b>  | <b>25,626,415</b>  | <b>22,600,808</b>  | <b>23,390,986</b>  | <b>26,396,360</b>  | <b>23,481,299</b>  | <b>228,176,422</b>      |
| <b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>  | <b>498,590</b>    | <b>524,238</b>     | <b>526,516</b>     | <b>529,507</b>     | <b>533,873</b>     | <b>533,872</b>     | <b>535,512</b>     | <b>534,172</b>     | <b>529,365</b>     | <b>513,772</b>     | <b>5,259,417</b>        |
| <b>HOSPITAL DIRECTED PAYMENTS</b>   | <b>21,209,673</b> | <b>21,515,947</b>  | <b>21,609,701</b>  | <b>21,948,157</b>  | <b>21,792,771</b>  | <b>22,188,234</b>  | <b>21,822,439</b>  | <b>21,933,791</b>  | <b>21,801,472</b>  | <b>21,376,726</b>  | <b>217,198,911</b>      |
| <b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>   | <b>(684,297)</b>  | <b>33,520</b>      | <b>(869,333)</b>   | <b>37,816</b>      | <b>123,932</b>     | <b>15,555</b>      | <b>(15,187)</b>    | <b>426,925</b>     | <b>(423,787)</b>   | <b>4,263</b>       | <b>(1,350,593)</b>      |
| <b>NON-CLAIMS EXPENSE ADJUSTMENT</b>  | <b>(128,832)</b>  | <b>3,429</b>       | <b>72,961</b>      | <b>177,517</b>     | <b>(2,449,080)</b> | <b>3,040</b>       | <b>639,578</b>     | <b>3,672</b>       | <b>52,429</b>      | <b>(4,730)</b>     | <b>(1,630,016)</b>      |
| <b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>  | <b>9,076</b>      | <b>32,166</b>      | <b>(4,009,312)</b> | <b>(4,430,362)</b> | <b>(4,472,016)</b> | <b>(4,829,330)</b> | <b>707,021</b>     | <b>438,520</b>     | <b>701,159</b>     | <b>614,589</b>     | <b>(15,238,489)</b>     |
| <b>Total Medical Costs</b>  | <b>99,774,353</b> | <b>105,993,298</b> | <b>106,739,417</b> | <b>108,419,783</b> | <b>103,690,851</b> | <b>107,576,828</b> | <b>109,851,839</b> | <b>111,366,610</b> | <b>118,434,850</b> | <b>115,805,278</b> | <b>1,087,653,107</b>    |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF MEDICAL COSTS BY MONTH - PMPM<br>FOR THE MONTH ENDED OCTOBER 31, 2023 | JANUARY<br>2023 | FEBRUARY<br>2023 | MARCH<br>2023  | APRIL<br>2023  | MAY<br>2023    | JUNE<br>2023   | JULY<br>2023  | AUGUST<br>2023 | SEPTEMBER<br>2023 | OCTOBER<br>2023 | YEAR TO<br>DATE<br>2023 |
|--|-----------------|------------------|----------------|----------------|----------------|----------------|---------------|----------------|-------------------|-----------------|-------------------------|
| <b>PHYSICIAN SERVICES</b>  |                 |                  |                |                |                |                |               |                |                   |                 |                         |
| Primary Care Physician Services  | 12.50           | 10.87            | 11.32          | 12.02          | 11.69          | 12.38          | 11.41         | 11.20          | 11.25             | 12.15           | 11.67                   |
| Referral Specialty Services  | 42.39           | 38.73            | 41.60          | 41.75          | 43.56          | 43.21          | 40.25         | 40.60          | 42.14             | 43.00           | 41.72                   |
| Urgent Care & After Hours Advise   | 6.16            | 5.28             | 5.87           | 6.44           | 5.83           | 5.72           | 5.95          | 5.96           | 7.13              | 4.82            | 5.92                    |
| Hospital Admitting Team  | 0.03            | 0.02             | 0.03           | 0.03           | 0.03           | 0.03           | 0.03          | 0.03           | 0.03              | 0.03            | 0.03                    |
| <b>TOTAL PHYSICIAN SERVICES</b>  | <b>61.08</b>    | <b>54.90</b>     | <b>58.82</b>   | <b>60.23</b>   | <b>61.10</b>   | <b>61.33</b>   | <b>57.64</b>  | <b>57.78</b>   | <b>60.54</b>      | <b>60.00</b>    | <b>59.34</b>            |
| <b>OTHER PROFESSIONAL SERVICES</b>   |                 |                  |                |                |                |                |               |                |                   |                 |                         |
| Vision Service Capitation  | 1.00            | 0.98             | 0.98           | 0.99           | 0.99           | 1.00           | 1.00          | 1.00           | 1.01              | 1.04            | 1.00                    |
| Medical Departments - UM Allocation *  | 6.11            | 5.72             | 6.25           | 5.61           | 5.87           | 6.78           | 5.82          | 6.30           | 7.57              | 9.63            | 6.56                    |
| Behavior Health Treatment  | 3.71            | 3.84             | 4.99           | 4.38           | 6.77           | 5.85           | 3.59          | 7.13           | 5.59              | 4.48            | 5.05                    |
| Mental Health Services   | 1.14            | 0.79             | 0.79           | 0.65           | 0.55           | 0.72           | 0.69          | 0.57           | 0.60              | 0.47            | 0.70                    |
| Other Professional Services  | 4.57            | 4.16             | 4.27           | 4.58           | 4.49           | 4.80           | 4.20          | 4.14           | 3.39              | 2.97            | 4.16                    |
| <b>TOTAL OTHER PROFESSIONAL SERVICES</b>   | <b>16.53</b>    | <b>15.49</b>     | <b>17.28</b>   | <b>16.21</b>   | <b>18.67</b>   | <b>19.15</b>   | <b>15.31</b>  | <b>19.14</b>   | <b>18.15</b>      | <b>18.60</b>    | <b>17.46</b>            |
| <b>EMERGENCY ROOM</b>  | <b>15.63</b>    | <b>13.26</b>     | <b>14.81</b>   | <b>14.91</b>   | <b>14.42</b>   | <b>15.56</b>   | <b>14.02</b>  | <b>15.69</b>   | <b>16.18</b>      | <b>14.71</b>    | <b>14.92</b>            |
| <b>INPATIENT HOSPITAL</b>  | <b>68.12</b>    | <b>62.39</b>     | <b>65.52</b>   | <b>67.93</b>   | <b>60.08</b>   | <b>53.49</b>   | <b>62.78</b>  | <b>58.50</b>   | <b>70.24</b>      | <b>73.93</b>    | <b>64.23</b>            |
| <b>REINSURANCE EXPENSE PREMIUM</b>   | <b>0.27</b>     | <b>0.52</b>      | <b>0.27</b>    | <b>0.27</b>    | <b>0.27</b>    | <b>0.27</b>    | <b>0.27</b>   | <b>0.27</b>    | <b>0.27</b>       | <b>0.28</b>     | <b>0.30</b>             |
| <b>OUTPATIENT HOSPITAL SERVICES</b>  | <b>28.93</b>    | <b>27.62</b>     | <b>32.37</b>   | <b>30.84</b>   | <b>30.93</b>   | <b>29.57</b>   | <b>28.79</b>  | <b>29.74</b>   | <b>31.70</b>      | <b>35.28</b>    | <b>30.57</b>            |
| <b>OTHER MEDICAL</b>   |                 |                  |                |                |                |                |               |                |                   |                 |                         |
| Ambulance and NEMT   | 5.39            | 5.02             | 6.15           | 6.26           | 6.34           | 6.76           | 6.30          | 6.61           | 9.45              | 8.01            | 6.63                    |
| Home Health Services & CBAS  | 2.92            | 2.32             | 2.84           | 1.55           | 1.27           | 1.05           | 1.65          | 2.57           | 2.05              | 1.78            | 1.99                    |
| Utilization and Quality Review Expenses  | 2.34            | 1.67             | 2.68           | 3.80           | 2.21           | 3.90           | 2.22          | 5.98           | 1.90              | 4.30            | 3.11                    |
| Long Term/SNF/Hospice  | 8.22            | 28.58            | 25.00          | 22.91          | 13.19          | 23.75          | 17.82         | 11.05          | 26.52             | 18.15           | 19.56                   |
| Provider Enhancement Expense - Prop. 56  | 16.34           | 15.69            | 15.68          | 15.77          | 15.63          | 15.77          | 15.61         | 15.60          | 15.68             | 15.73           | 15.75                   |
| Provider Enhancement Expense - GEMT  | 1.49            | 1.47             | 1.44           | 1.33           | 1.58           | 1.41           | 2.53          | 2.43           | 1.94              | 1.96            | 1.76                    |
| Vaccine Incentive Program Expense  | 0.00            | 0.00             | 0.00           | 0.00           | 0.00           | 0.00           | 0.00          | 0.00           | 0.00              | 0.00            | 0.00                    |
| Behavioral Health Integration Program  | 0.00            | 0.00             | 0.00           | 0.00           | 0.00           | 0.00           | 0.00          | 0.00           | 0.00              | 0.00            | 0.00                    |
| Enhanced Care Management   | 4.30            | 5.09             | 5.10           | 5.14           | 5.09           | 7.24           | 4.83          | 7.66           | 5.61              | 4.39            | 5.46                    |
| Major Organ Transplant   | 2.26            | 2.04             | 2.15           | 2.17           | 2.13           | 2.17           | 2.15          | 2.16           | 2.32              | 2.19            | 2.17                    |
| Cal AIM Incentive Programs   | 0.09            | 0.80             | 0.84           | 2.60           | 10.77          | 6.15           | 6.67          | 7.14           | 5.85              | 7.52            | 4.88                    |
| DME  | 3.37            | 3.17             | 3.76           | 3.47           | 4.03           | 3.57           | 3.79          | 4.35           | 3.66              | 4.17            | 3.74                    |
| <b>TOTAL OTHER MEDICAL</b>   | <b>46.72</b>    | <b>65.84</b>     | <b>65.64</b>   | <b>65.01</b>   | <b>62.24</b>   | <b>71.78</b>   | <b>63.58</b>  | <b>65.54</b>   | <b>74.98</b>      | <b>68.20</b>    | <b>65.05</b>            |
| <b>PAY FOR PERFORMANCE QUALITY INCENTIVE</b>   | <b>1.50</b>     | <b>1.50</b>      | <b>1.50</b>    | <b>1.50</b>    | <b>1.50</b>    | <b>1.50</b>    | <b>1.51</b>   | <b>1.50</b>    | <b>1.50</b>       | <b>1.49</b>     | <b>1.50</b>             |
| <b>HOSPITAL DIRECTED PAYMENTS</b>  | <b>63.81</b>    | <b>61.56</b>     | <b>61.56</b>   | <b>62.18</b>   | <b>61.23</b>   | <b>62.15</b>   | <b>61.39</b>  | <b>61.46</b>   | <b>61.93</b>      | <b>62.09</b>    | <b>61.92</b>            |
| <b>HOSPITAL DIRECTED PAYMENT ADJUSTMENT</b>  | <b>(2.06)</b>   | <b>0.10</b>      | <b>(2.48)</b>  | <b>0.11</b>    | <b>0.35</b>    | <b>0.04</b>    | <b>(0.04)</b> | <b>1.20</b>    | <b>(1.20)</b>     | <b>0.01</b>     | <b>(0.39)</b>           |
| <b>NON-CLAIMS EXPENSE ADJUSTMENT</b>   | <b>(0.39)</b>   | <b>0.01</b>      | <b>0.21</b>    | <b>0.50</b>    | <b>(6.88)</b>  | <b>0.01</b>    | <b>1.80</b>   | <b>0.01</b>    | <b>0.15</b>       | <b>(0.01)</b>   | <b>(0.46)</b>           |
| <b>IBNR, INCENTIVE, AND PAID CLAIMS ADJUSTMENT</b>   | <b>0.03</b>     | <b>0.09</b>      | <b>(11.42)</b> | <b>(12.55)</b> | <b>(12.56)</b> | <b>(13.53)</b> | <b>1.99</b>   | <b>1.23</b>    | <b>1.99</b>       | <b>1.79</b>     | <b>(4.34)</b>           |
| <b>Total Medical Costs</b>   | <b>300.18</b>   | <b>303.28</b>    | <b>304.09</b>  | <b>307.13</b>  | <b>291.34</b>  | <b>301.33</b>  | <b>309.05</b> | <b>312.06</b>  | <b>336.43</b>     | <b>336.37</b>   | <b>310.10</b>           |



| CURRENT MONTH |           |           | KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF ADMINISTRATIVE EXPENSES BY DEPT<br>FOR THE MONTH ENDED OCTOBER 31, 2023 | YEAR-TO-DATE |             |             |
|---------------|-----------|-----------|--|--------------|-------------|-------------|
| ACTUAL        | BUDGET    | VARIANCE  |  | ACTUAL       | BUDGET      | VARIANCE    |
| 615,688       | 503,779   | (111,909) | 110 - Executive  | 6,047,380    | 5,112,809   | (934,571)   |
| 298,742       | 269,724   | (29,018)  | 210 - Accounting   | 2,490,875    | 2,697,245   | 206,370     |
| 341,003       | 388,290   | 47,287    | 220 - Management Information Systems   | 3,449,960    | 3,882,898   | 432,938     |
| 33,085        | 26,641    | (6,444)   | 221 - Business Intelligence  | 226,966      | 266,410     | 39,444      |
| 419,658       | 421,256   | 1,598     | 222 - Enterprise Development   | 3,750,306    | 4,212,560   | 462,254     |
| 202,802       | 201,164   | (1,638)   | 223 - Enterprise Configuration   | 1,617,447    | 2,011,640   | 394,193     |
| 578,661       | 675,880   | 97,219    | 225 - Infrastructure   | 6,406,403    | 6,758,793   | 352,390     |
| 742,776       | 690,414   | (52,362)  | 230 - Claims   | 6,436,863    | 6,904,132   | 467,269     |
| 378,484       | 272,021   | (106,463) | 240 - Project Management   | 2,579,250    | 2,720,202   | 140,952     |
| 178,405       | 145,307   | (33,098)  | 310 - Health Services - Utilization Management   | 1,744,032    | 1,453,070   | (290,962)   |
| 76            | 51,625    | 51,549    | 311 - Health Services - Quality Improvement  | 2,420        | 516,250     | 513,830     |
| -             | 143       | 143       | 312 - Health Services - Education  | 231          | 1,430       | 1,199       |
| 54,125        | 70,663    | 16,538    | 313- Pharmacy  | 466,179      | 706,630     | 240,451     |
| 277           | 3,292     | 3,015     | 314 - Enhanced Care Management   | 29,186       | 32,920      | 3,734       |
| 103,493       | 78,415    | (25,078)  | 316 -Population Health Management  | 741,203      | 784,150     | 42,947      |
| 1,663         | 1,218     | (445)     | 317 - Community Based Services   | 2,041        | 12,180      | 10,139      |
| -             | 31,941    | 31,941    | 318 - Housing & Homeless Incentive Program   | -            | 319,410     | 319,410     |
| 72,320        | 134,370   | 62,050    | 319 - CAL AIM Incentive Payment Program (IPP)  | 514,060      | 1,343,700   | 829,640     |
| -             | 947       | 947       | 601 - Behavioral Health  | -            | 9,470       | 9,470       |
| 403           | 4,315     | 3,912     | 602 - Quality & Health Equity  | 20,659       | 43,150      | 22,491      |
| 379,808       | 345,411   | (34,397)  | 320 - Provider Network Management  | 3,392,535    | 3,454,110   | 61,575      |
| 968,800       | 1,205,474 | 236,674   | 330 - Member Services  | 9,333,329    | 12,054,739  | 2,721,410   |
| 879,023       | 871,256   | (7,767)   | 340 - Corporate Services   | 9,318,844    | 8,712,560   | (606,284)   |
| 243,004       | 145,475   | (97,529)  | 360 - Audit & Investigative Services   | 1,655,861    | 1,454,750   | (201,111)   |
| 94,610        | 56,416    | (38,194)  | 410 - Member Engagement  | 757,150      | 564,160     | (192,990)   |
| 213,868       | 210,572   | (3,296)   | 420 - Sales/Marketing/Public Relations   | 1,872,776    | 2,105,720   | 232,944     |
| 358,201       | 361,965   | 3,764     | 510 - Human Resources  | 3,585,649    | 3,619,650   | 34,001      |
| -             | (141,666) | (141,666) | Administrative Expense Adjustment  | 2,147,162    | (1,416,668) | (3,563,830) |
| 7,158,975     | 7,026,308 | (132,667) | Total Administrative Expenses  | 68,588,768   | 70,338,070  | 1,749,302   |

| KERN HEALTH SYSTEMS<br>MEDI-CAL<br>SCHEDULE OF ADMIN EXPENSES BY DEPT BY MONTH<br>FOR THE MONTH ENDED OCTOBER 31, 2023 | JANUARY<br>2023  | FEBRUARY<br>2023 | MARCH<br>2023    | APRIL<br>2023    | MAY<br>2023      | JUNE<br>2023     | JULY<br>2023     | AUGUST<br>2023   | SEPTEMBER<br>2023 | OCTOBER<br>2023  | YEAR TO<br>DATE<br>2023 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|-------------------------|
| 110 - Executive  | 687,266          | 488,878          | 631,414          | 573,435          | 605,342          | 763,935          | 537,480          | 554,501          | 589,441           | 615,688          | 6,047,380               |
| 210 - Accounting   | 228,231          | 226,501          | 220,815          | 257,429          | 255,614          | 247,295          | 254,446          | 260,708          | 241,094           | 298,742          | 2,490,875               |
| 220 - Management Information Systems (MIS)   | 365,046          | 378,747          | 348,807          | 339,302          | 365,330          | 355,130          | 300,962          | 346,145          | 309,488           | 341,003          | 3,449,960               |
| 221 - Business Intelligence  | 63,805           | 672              | 10,109           | 15,308           | 26,942           | 22,540           | (10,946)         | 55,044           | 10,407            | 33,085           | 226,966                 |
| 222 - Enterprise Development   | 353,608          | 328,061          | 331,145          | 334,228          | 376,413          | 412,669          | 370,744          | 410,421          | 413,359           | 419,658          | 3,750,306               |
| 223 - Enterprise Configuration   | 104,241          | 216,683          | 121,896          | 146,738          | 136,105          | 171,714          | 181,934          | 171,194          | 164,140           | 202,802          | 1,617,447               |
| 225 - Infrastructure   | 412,631          | 771,628          | 668,401          | 676,609          | 498,225          | 515,544          | 851,074          | 671,727          | 761,903           | 578,661          | 6,406,403               |
| 230 - Claims   | 620,932          | 609,445          | 645,581          | 630,955          | 672,659          | 645,714          | 601,430          | 591,293          | 676,078           | 742,776          | 6,436,863               |
| 240 - Project Management   | 140,118          | 191,244          | 253,669          | 237,154          | 320,496          | 264,636          | 198,543          | 275,339          | 319,567           | 378,484          | 2,579,250               |
| 310 - Health Services - Utilization Management   | 194,388          | 186,938          | 208,456          | 255,118          | 260,301          | (106,448)        | 180,999          | 179,406          | 206,469           | 178,405          | 1,744,032               |
| 311 - Health Services - Quality Improvement  | 89               | 90               | (97)             | 1,758            | 598              | 783              | 471              | (1,012)          | (336)             | 76               | 2,420                   |
| 312 - Health Services - Education  | 88               | 297              | (8)              | 417              | 89               | 385              | 262              | (1,093)          | (206)             | -                | 231                     |
| 313- Pharmacy  | 39,747           | 39,846           | 37,420           | 25,750           | 36,574           | 122,778          | 37,659           | 35,247           | 37,033            | 54,125           | 466,179                 |
| 314 - Enhanced Care Management   | 475              | 20,697           | (112)            | 7,231            | (223)            | 829              | 366              | (1,236)          | 882               | 277              | 29,186                  |
| 316 -Population Health Management  | 62,921           | 63,361           | 75,452           | 67,203           | 74,045           | 71,685           | 69,897           | 76,157           | 76,989            | 103,493          | 741,203                 |
| 317 - Community Based Services   | 165              | 821              | (711)            | 22               | 5                | 29               | 209              | (162)            | -                 | 1,663            | 2,041                   |
| 318 - Housing & Homeless Incentive Program   | -                | 1,200            | (1,185)          | 6                | 6                | 23               | 25               | (75)             | -                 | -                | -                       |
| 319 - CAL AIM Incentive Payment Program (IPP)  | -                | 84,699           | 51,654           | 42,927           | -                | 97,232           | 45,332           | 9,851            | 110,045           | 72,320           | 514,060                 |
| 601 - Behavioral Health  | -                | -                | -                | -                | 11,639           | (11,571)         | -                | (68)             | -                 | -                | -                       |
| 602 - Quality & Health Equity  | -                | 1,665            | -                | -                | (1,665)          | 194              | 20               | (41)             | 20,083            | 403              | 20,659                  |
| 320 - Provider Network Management  | 317,123          | 285,888          | 388,095          | 306,789          | 329,256          | 327,933          | 362,501          | 357,061          | 338,081           | 379,808          | 3,392,535               |
| 330 - Member Services  | 802,035          | 804,897          | 998,660          | 856,559          | 908,944          | 1,002,188        | 960,300          | 1,041,329        | 989,617           | 968,800          | 9,333,329               |
| 340 - Corporate Services   | 892,136          | 958,999          | 902,329          | 890,795          | 984,437          | 921,752          | 943,747          | 1,018,956        | 926,670           | 879,023          | 9,318,844               |
| 360 - Audit & Investigative Services   | 138,360          | 130,101          | 142,110          | 145,775          | 140,250          | 157,915          | 171,929          | 191,794          | 194,623           | 243,004          | 1,655,861               |
| 410 - Member Engagement  | 68,972           | 61,237           | 45,193           | 56,083           | 69,262           | 27,762           | 78,964           | 113,512          | 141,555           | 94,610           | 757,150                 |
| 420 - Sales/Marketing/Public Relations   | 60,714           | 98,793           | 207,085          | 121,647          | 169,876          | 370,758          | 119,606          | 255,433          | 254,996           | 213,868          | 1,872,776               |
| 510 - Human Resources  | 362,364          | 315,305          | 331,059          | 346,987          | 344,312          | 379,592          | 445,841          | 332,855          | 369,133           | 358,201          | 3,585,649               |
| <b>Total Department Expenses</b>   | <b>5,915,456</b> | <b>6,266,693</b> | <b>6,617,237</b> | <b>6,336,225</b> | <b>6,584,832</b> | <b>6,762,996</b> | <b>6,703,795</b> | <b>6,944,286</b> | <b>7,151,111</b>  | <b>7,158,975</b> | <b>66,441,606</b>       |
| <b>ADMINISTRATIVE EXPENSE ADJUSTMENT</b>   | <b>109,675</b>   | <b>301,496</b>   | <b>320,296</b>   | <b>300,000</b>   | <b>300,950</b>   | <b>501,326</b>   | <b>300,183</b>   | <b>12,969</b>    | <b>267</b>        | <b>-</b>         | <b>2,147,162</b>        |
| <b>Total Administrative Expenses</b>   | <b>6,025,131</b> | <b>6,568,189</b> | <b>6,937,533</b> | <b>6,636,225</b> | <b>6,885,782</b> | <b>7,264,322</b> | <b>7,003,978</b> | <b>6,957,255</b> | <b>7,151,378</b>  | <b>7,158,975</b> | <b>68,588,768</b>       |

| <b>KERN HEALTH SYSTEMS<br/>GROUP HEALTH PLAN - HFAM<br/>BALANCE SHEET STATEMENT<br/>AS OF OCTOBER 31, 2023</b> |                     |                       |                 |
|--|---------------------|-----------------------|-----------------|
| <b>ASSETS</b>  | <b>OCTOBER 2023</b> | <b>SEPTEMBER 2023</b> | <b>INC(DEC)</b> |
| <b>CURRENT ASSETS:</b>   |                     |                       |                 |
| Cash and Cash Equivalents  | \$ 1,163,609        | \$ 1,153,116          | 10,493          |
| Interest Receivable  | 3,000               | 10,493                | (7,493)         |
| <b>TOTAL CURRENT ASSETS</b>  | <b>\$ 1,166,609</b> | <b>\$ 1,163,609</b>   | <b>\$ 3,000</b> |
| <b>LIABILITIES AND NET POSITION</b>  |                     |                       |                 |
| <b>CURRENT LIABILITIES:</b>  |                     |                       |                 |
| Other Liabilities  | -                   | -                     | -               |
| <b>TOTAL CURRENT LIABILITIES</b>   | <b>\$ -</b>         | <b>\$ -</b>           | <b>\$ -</b>     |
| <b>NET POSITION:</b>   |                     |                       |                 |
| Net Position- Beg. of Year   | 1,130,625           | 1,130,625             | -               |
| Increase (Decrease) in Net Position - Current Year   | 35,984              | 32,984                | 3,000           |
| Total Net Position   | \$ 1,166,609        | \$ 1,163,609          | \$ 3,000        |
| <b>TOTAL LIABILITIES AND NET POSITION</b>  | <b>\$ 1,166,609</b> | <b>\$ 1,163,609</b>   | <b>\$ 3,000</b> |

| CURRENT MONTH         |        |          | KERN HEALTH SYSTEMS<br>GROUP HEALTH PLAN - HFAM<br>STATEMENT OF REVENUE, EXPENSES, AND CHANGES<br>IN NET POSITION<br>FOR THE MONTH ENDED OCTOBER 31, 2023 | YEAR-TO-DATE  |           |               |
|-----------------------|--------|----------|---|---------------|-----------|---------------|
| ACTUAL                | BUDGET | VARIANCE |   | ACTUAL        | BUDGET    | VARIANCE      |
| <b>ENROLLMENT</b>     |        |          |   |               |           |               |
| -                     | -      | -        | Members   | -             | -         | -             |
| <b>REVENUES</b>       |        |          |   |               |           |               |
| -                     | -      | -        | Premium   | -             | -         | -             |
| 3,000                 | -      | 3,000    | Interest  | 30,286        | -         | 30,286        |
| -                     | -      | -        | Other Investment Income   | 5,698         | -         | 5,698         |
| 3,000                 | -      | 3,000    | <b>TOTAL REVENUES</b>   | <b>35,984</b> | <b>-</b>  | <b>35,984</b> |
| <b>EXPENSES</b>       |        |          |   |               |           |               |
| -                     | -      | -        | Medical Costs   | -             | -         | -             |
| -                     | -      | -        | IBNR and Paid Claims Adjustment   | -             | -         | -             |
| -                     | -      | -        | Total Medical Costs   | -             | -         | -             |
| 3,000                 | -      | 3,000    | <b>GROSS MARGIN</b>   | <b>35,984</b> | <b>-</b>  | <b>35,984</b> |
| <b>Administrative</b> |        |          |   |               |           |               |
| -                     | -      | -        | Management Fee Expense and Other Admin Exp  | -             | -         | -             |
| -                     | -      | -        | Total Administrative Expenses   | -             | -         | -             |
| -                     | -      | -        | <b>TOTAL EXPENSES</b>   | <b>-</b>      | <b>-</b>  | <b>-</b>      |
| 3,000                 | -      | 3,000    | <b>OPERATING INCOME (LOSS)</b>  | <b>35,984</b> | <b>-</b>  | <b>35,984</b> |
| -                     | -      | -        | <b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>  | <b>-</b>      | <b>-</b>  | <b>-</b>      |
| 3,000                 | -      | 3,000    | <b>NET INCREASE (DECREASE) IN NET POSITION</b>  | <b>35,984</b> | <b>-</b>  | <b>35,984</b> |
| 0%                    | 0%     | 0%       | <b>MEDICAL LOSS RATIO</b>   | <b>0%</b>     | <b>0%</b> | <b>0%</b>     |
| 0%                    | 0%     | 0%       | <b>ADMINISTRATIVE EXPENSE RATIO</b>   | <b>0%</b>     | <b>0%</b> | <b>0%</b>     |

**KERN HEALTH SYSTEMS  
MONTHLY MEMBERS COUNT**

**KERN HEALTH SYSTEMS**

|                                     |                  | <b>2023 MEMBER MONTHS</b> | <b>JAN'23</b>  | <b>FEB'23</b>  | <b>MAR'23</b>  | <b>APR'23</b>  | <b>MAY'23</b>  | <b>JUN'23</b>  | <b>JULY'23</b> | <b>AUG'23</b>  | <b>SEPT'23</b> | <b>OCT'23</b> |
|-------------------------------------|------------------|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| <b>MEDI-CAL</b>                     |                  |                           |                |                |                |                |                |                |                |                |                |               |
| <b>ADULT AND FAMILY</b>             |                  |                           |                |                |                |                |                |                |                |                |                |               |
| ADULT                               | <b>656,440</b>   | 58,409                    | 65,757         | 66,276         | 66,418         | 67,971         | 67,525         | 66,503         | 67,740         | 65,809         | 64,032         |               |
| CHILD                               | <b>1,463,744</b> | 149,881                   | 145,505        | 145,753        | 146,329        | 146,573        | 147,108        | 146,933        | 146,846        | 145,234        | 143,582        |               |
| <b>SUB-TOTAL ADULT &amp; FAMILY</b> | <b>2,120,184</b> | <b>208,290</b>            | <b>211,262</b> | <b>212,029</b> | <b>212,747</b> | <b>214,544</b> | <b>214,633</b> | <b>213,436</b> | <b>214,586</b> | <b>211,043</b> | <b>207,614</b> |               |
| <b>OTHER MEMBERS</b>                |                  |                           |                |                |                |                |                |                |                |                |                |               |
| PARTIAL DUALS - FAMILY              | <b>8,242</b>     | 851                       | 875            | 903            | 822            | 853            | 818            | 837            | 787            | 756            | 740            |               |
| PARTIAL DUALS - CHILD               | <b>0</b>         | 0                         | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |               |
| PARTIAL DUALS - BCCTP               | <b>102</b>       | 6                         | 10             | 10             | 10             | 16             | 11             | 12             | 10             | 8              | 9              |               |
| <b>FULL DUALS (SPD)</b>             |                  |                           |                |                |                |                |                |                |                |                |                |               |
| SPD FULL DUALS                      | <b>200,830</b>   | 9,649                     | 20,632         | 21,019         | 21,092         | 21,349         | 21,374         | 21,218         | 21,406         | 21,540         | 21,551         |               |
| <b>SUBTOTAL OTHER MEMBERS</b>       | <b>209,174</b>   | <b>10,506</b>             | <b>21,517</b>  | <b>21,932</b>  | <b>21,924</b>  | <b>22,218</b>  | <b>22,203</b>  | <b>22,067</b>  | <b>22,203</b>  | <b>22,304</b>  | <b>22,300</b>  |               |
| <b>TOTAL FAMILY &amp; OTHER</b>     | <b>2,329,358</b> | <b>218,796</b>            | <b>232,779</b> | <b>233,961</b> | <b>234,671</b> | <b>236,762</b> | <b>236,836</b> | <b>235,503</b> | <b>236,789</b> | <b>233,347</b> | <b>229,914</b> |               |
| <b>SPD</b>                          |                  |                           |                |                |                |                |                |                |                |                |                |               |
| SPD (AGED AND DISABLED)             | <b>183,518</b>   | 17,442                    | 18,453         | 18,522         | 18,599         | 18,398         | 18,515         | 18,518         | 18,448         | 18,443         | 18,180         |               |
| <b>MEDI-CAL EXPANSION</b>           |                  |                           |                |                |                |                |                |                |                |                |                |               |
| ACA Expansion Adult-Citizen         | <b>973,720</b>   | 94,512                    | 96,241         | 96,427         | 97,590         | 98,512         | 99,338         | 99,216         | 99,510         | 98,130         | 94,244         |               |
| ACA Expansion Duals                 | <b>17,233</b>    | 1,637                     | 1,613          | 1,703          | 1,746          | 1,842          | 1,908          | 1,809          | 1,716          | 1,720          | 1,539          |               |
| <b>SUB-TOTAL MED-CAL EXPANSION</b>  | <b>990,953</b>   | <b>96,149</b>             | <b>97,854</b>  | <b>98,130</b>  | <b>99,336</b>  | <b>100,354</b> | <b>101,246</b> | <b>101,025</b> | <b>101,226</b> | <b>99,850</b>  | <b>95,783</b>  |               |
| <b>LONG TERM CARE (LTC)</b>         |                  |                           |                |                |                |                |                |                |                |                |                |               |
| LTC                                 | <b>300</b>       | 27                        | -1             | 33             | 34             | 35             | 38             | 35             | 35             | 40             | 24             |               |
| LTC DUALS                           | <b>3,338</b>     | 0                         | 380            | 364            | 365            | 366            | 373            | 367            | 383            | 359            | 381            |               |
| <b>TOTAL LTC</b>                    | <b>3,638</b>     | <b>27</b>                 | <b>379</b>     | <b>397</b>     | <b>399</b>     | <b>401</b>     | <b>411</b>     | <b>402</b>     | <b>418</b>     | <b>399</b>     | <b>405</b>     |               |
| <b>TOTAL KAISER</b>                 | <b>155,459</b>   | <b>14,759</b>             | <b>14,960</b>  | <b>15,308</b>  | <b>15,562</b>  | <b>15,699</b>  | <b>15,881</b>  | <b>15,869</b>  | <b>15,966</b>  | <b>15,838</b>  | <b>15,617</b>  |               |
| <b>TOTAL MEDI-CAL MEMBERS</b>       | <b>3,662,926</b> | <b>347,173</b>            | <b>364,425</b> | <b>366,318</b> | <b>368,567</b> | <b>371,614</b> | <b>372,889</b> | <b>371,317</b> | <b>372,847</b> | <b>367,877</b> | <b>359,899</b> |               |



# KERN·HEALTH SYSTEMS

**September AP Vendor Report**  
**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                                 | Current Month | Year-to-Date | Description   | Department            |
|------------|---|---------------|--------------|---|-----------------------|
| T1045      | KAISER FOUNDATION HEALTH - HMO              | 630,353.20    | 5,329,846.70 | SEPT. 2023 EMPLOYEE HMO HEALTH BENEFITS PREMIUM                             | VARIOUS               |
| T4350      | COMPUTER ENTERPRISE                         | 454,866.90    | 4,297,471.80 | AUG. 2023 PROFESSIONAL SERVICES/CONSULTING SERVICES                         | VARIOUS               |
| T4737      | TEKSYSTEMS, INC.                            | 303,910.00    | 2,220,922.98 | JUL. & AUG. 2023 PROFESSIONAL SERVICES                                      | MIS INFRASTRUCTURE    |
| T5684      | REBELLIS GROUP LLC                          | 258,978.80    | 1,040,646.87 | JUL. & AUG. 2023 MAPD BUSINESS CONSULTING                                   | MEDICARE              |
| T2686      | ALLIANT INSURANCE SERVICES INC. ****        | 236,294.89    | 856,805.17   | 2023/2024 SPECIAL LIABILITY INSURANCE                                       | EXECUTIVE             |
| T1180      | LANGUAGE LINE SERVICES INC. ****            | 154,619.70    | 704,669.72   | JUL. & AUG. 2023 INTERPRETATION SERVICES                                    | HEALTH EDUCATION      |
| T4657      | DAPONDE SIMPSON ROWE PC                     | 100,738.50    | 314,343.57   | JUL. 2023 LEGAL FEES  | VARIOUS               |
| T4733      | UNITED STAFFING ASSOCIATES                  | 98,911.81     | 571,164.69   | AUG. & SEPT. 2023 TEMPORARY HELP - (1) FIN: (1) UM: (21) MS: (1) AD: (1) CS | VARIOUS               |
| T3088      | GLEN BROWN CONSULTING ****                  | 74,450.00     | 81,275.00    | JUL. & AUG. 2023 CONSULTING   | HEALTH SERVICES - IPP |
| T5337      | CAZADOR CONSULTING GROUP INC                | 68,167.90     | 894,735.21   | AUG. & SEPT. 2023 TEMPORARY HELP - (1) IT: (16) MS: (1) HR: (1) CS: (1) AD  | VARIOUS               |
| T5155      | A-C ELECTRIC COMPANY                        | 67,378.37     | 1,657,621.37 | CARPPOOL SOLAR PROJECT  | CAPITAL               |
| T2458      | HEALTHCARE FINANCIAL, INC ****              | 61,420.71     | 539,728.22   | JUN. & JUL. 2023 PROFESSIONAL SERVICES                                      | ADMINISTRATION        |
| T5658      | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 50,250.21     | 433,130.11   | SEPT. 2023 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM                           | VARIOUS               |
| T5802      | MOTOR VEHICLE NETWORK ****                  | 47,430.00     | 47,430.00    | DMV OFFICE ADVERTISING  | MARKETING             |

# KERN HEALTH SYSTEMS

**September AP Vendor Report**  
**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                            | Current Month | Year-to-Date | Description  | Department                   |
|------------|--|---------------|--------------|--|------------------------------|
| T5421      | PREMIER ACCESS INSURANCE COMPANY       | 45,805.46     | 393,075.80   | SEPT. 2023 EMPLOYEE DENTAL BENEFITS PREMIUM                      | VARIOUS                      |
| T5520      | BG HEALTHCARE CONSULTING, INC          | 40,800.00     | 176,325.00   | AUG. 2023 PROFESSIONAL SERVICES                                  | POPULATION HEALTH MANAGEMENT |
| T2167      | PG&E                                   | 40,693.24     | 315,875.01   | AUG. 2023 UTILITIES  | CORPORATE SERVICES           |
| T2584      | UNITED STATES POSTAL SVC. - HASLER     | 40,000.00     | 250,000.00   | POSTAGE (METER) FUND   | CORPORATE SERVICES           |
| T5022      | SVAM INTERNATIONAL INC                 | 38,640.00     | 490,397.57   | JUL. & AUG. 2023 PROFESSIONAL SERVICES                           | MIS ADMINISTRATION           |
| T5701      | THE GRANGER NETWORKS LLC               | 38,250.00     | 301,400.00   | SENIOR LEADERSHIP COACHING & NEXT ERA BOOTCAMP                   | ADMINISTRATION               |
| T5344      | SIGNATURE STAFF RESOURCES LLC ****     | 34,928.00     | 227,448.00   | JUL. & AUG. 2023 PROFESSIONAL SERVICES                           | BUSINESS INTELLIGENCE        |
| T1694      | KERN COUNTY FAIR ****                  | 34,650.00     | 35,625.00    | FAIR SIGNAGE, EMPLOYEE TICKETS & PARKING                         | VARIOUS                      |
| T3011      | OFFICE ALLY, INC                       | 34,463.66     | 273,681.83   | AUG. 2023 EDI CLAIM PROCESSING                                   | CLAIMS                       |
| T4460      | PAYSPAN, INC                           | 32,959.35     | 246,667.69   | AUG. 2023 CLAIMS ACTIVITY  | FINANCE                      |
| T4452      | WELLS FARGO ACH                        | 32,608.27     | 256,459.68   | AUG. 2023 MISC CREDIT CARD PURCHASES                             | VARIOUS                      |
| T5076      | MERIDIAN HEALTH SYSTEMS, P.C.          | 31,125.00     | 330,412.50   | AUG. 2023 PROFESSIONAL SERVICES                                  | UTILIZATION MANAGEMENT-UM    |
| T4934      | APPLE INC. ****                        | 28,836.17     | 53,336.52    | (35) IPHONES, CASES & POWER ADAPTERS                             | CAPITAL                      |
| T4722      | COGNIZANT TRIZETTO SOFTWARE GROUP, INC | 27,898.95     | 1,205,148.11 | AUG. 2023 PROFESSIONAL SERVICES & AUG. 2023 EDI CLAIM PROCESSING | VARIOUS                      |



# KERN·HEALTH SYSTEMS

## September AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name                      | Current Month          | Year-to-Date | Description  | Department           |
|------------|----------------------------------|------------------------|--------------|--|----------------------|
| T1861      | CERIDIAN HCM, INC.               | 24,988.16              | 243,764.68   | AUG. & SEPT. 2023 SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES      |
| T5392      | THE KNOWLEDGE ACADEMY INC ****   | 24,380.00              | 60,790.00    | ONLINE TRAINING - TOGAF ENTERPRISE ARCHITECTURE  | MIS ADMINISTRATION   |
| T1005      | COLONIAL LIFE & ACCIDENT ****    | 23,554.18              | 119,264.98   | AUG. & SEPT. 2023 EMPLOYEE BENEFITS  | VARIOUS              |
| T5583      | THE MIHALIK GROUP, LLC ****      | 23,367.50              | 128,032.50   | JUN. 2023 CONSULTING & READINESS ASSESSMENT  | HEALTH SERVICES - QI |
| T5298      | TOTALMED, INC ****               | 22,704.03              | 47,213.92    | AUG. & SEPT. 2023 TEMPORARY HELP   | VARIOUS              |
| T4538      | CHANGE HEALTHCARE SOLUTIONS, LLC | 21,805.70              | 183,452.14   | AUG. 2023 EDI CLAIM PROCESSING   | CLAIMS               |
| T5734      | CAROL ANN STILTNER ****          | 20,611.76              | 93,523.99    | AUG. 2023 PROFESSIONAL SERVICES  | MEDICARE             |
|            |                                  | <b>3,270,840.42</b>    |              |  |                      |
|            | TOTAL VENDORS OVER \$20,000      | 3,270,840.42           |              |  |                      |
|            | TOTAL VENDORS UNDER \$20,000     | 630,360.34             |              |  |                      |
|            | TOTAL VENDOR EXPENSES- SEPTEMBER | <b>\$ 3,901,200.76</b> |              |  |                      |

Note:

\*\*\*\*New vendors over \$20,000 for the month of September

# KERN HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                            | Year-to-Date | Description  | Department                     |
|------------|--|--------------|--|--------------------------------|
| T1045      | KAISER FOUNDATION HEALTH - HMO         | 5,329,846.70 | EMPLOYEE HMO HEALTH BENEFITS PREMIUM                     | VARIOUS                        |
| T4350      | COMPUTER ENTERPRISE                    | 4,297,471.80 | PROFESSIONAL SERVICES/CONSULTING SERVICES                | VARIOUS                        |
| T5452      | BLACKHAWK ENGAGEMENT SOLUTIONS INC     | 3,340,640.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM  | UTILIZATION MANAGEMENT-HE & QI |
| T4737      | TEKSYSTEMS, INC.                       | 2,220,922.98 | PROFESSIONAL SERVICES                                    | MIS INFRASTRUCTURE             |
| T5155      | A-C ELECTRIC COMPANY                   | 1,657,621.37 | CARPPOOL SOLAR PROJECT                                   | CAPITAL                        |
| T3449      | CDW GOVERNMENT                         | 1,547,053.97 | NUTANIX RENEWAL & ADOBE LICENSES                         | MIS INFRASTRUCTURE             |
| T3130      | OPTUMINSIGHT, INC                      | 1,270,750.51 | ANNUAL LICENSED SOFTWARE                                 | MIS INFRASTRUCTURE             |
| T4722      | COGNIZANT TRIZETTO SOFTWARE GROUP, INC | 1,205,148.11 | PROFESSIONAL SERVICES & ANNUAL LICENSING                 | VARIOUS                        |
| T2704      | MCG HEALTH LLC                         | 1,186,808.43 | ANNUAL HEALTH CARE MANAGEMENT & SOFTWARE LICENSE         | UTILIZATION MANAGEMENT         |
| T5684      | REBELLIS GROUP LLC                     | 1,040,646.87 | MAPD BUSINESS CONSULTING                                 | MEDICARE                       |
| T1071      | CLINICA SIERRA VISTA                   | 911,881.47   | HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM | COMMUNITY GRANTS               |
| T5337      | CAZADOR CONSULTING GROUP INC           | 894,735.21   | TEMPORARY HELP   | VARIOUS                        |
| T2686      | ALLIANT INSURANCE SERVICES INC.        | 856,805.17   | 2023 -2024 INSURANCE PREMIUMS                            | ADMINISTRATION                 |
| T1408      | DELL MARKETING L.P.                    | 807,114.44   | COMPUTER EQUIPMENT & SOFTWARE MAINTENANCE                | MIS INFRASTRUCTURE             |

# KERN·HEALTH SYSTEMS

## Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name                                 | Year-to-Date | Description                            | Department            |
|------------|---|--------------|--|-----------------------|
| T4699      | ZEOMEGA, INC                                | 770,590.22   | PROFESSIONAL SERVICES                  | MIS INFRASTRUCTURE    |
| T1180      | LANGUAGE LINE SERVICES INC                  | 704,669.72   | INTERPRETATION SERVICES                | HEALTH EDUCATION      |
| T5432      | CATALYST SOLUTIONS, LLC                     | 662,854.37   | PROFESSIONAL SERVICES                  | BUSINESS INTELLIGENCE |
| T5466      | ZIPARI, INC                                 | 600,545.68   | 2023 JIVA MEMBER PORTAL                | MIS INFRASTRUCTURE    |
| T4733      | UNITED STAFFING ASSOCIATES                  | 571,164.69   | TEMPORARY HELP                         | VARIOUS               |
| T2458      | HEALTHCARE FINANCIAL, INC                   | 539,728.22   | PROFESSIONAL SERVICES                  | ADMINISTRATION        |
| T1845      | DEPARTMENT OF MANAGED HEALTH CARE           | 523,361.90   | 2023-2024 MCAL ANNUAL ASSESSMENT       | ADMINISTRATION        |
| T5022      | SVAM INTERNATIONAL INC                      | 490,397.57   | PROFESSIONAL SERVICES                  | MIS ADMINISTRATION    |
| T5658      | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 433,130.11   | VOLUNTARY LIFE, AD&D INSURANCE PREMIUM | VARIOUS               |
| T4237      | FLUIDEDGE CONSULTING, INC                   | 405,345.00   | CONSULTING SERVICES                    | VARIOUS               |
| T5421      | PREMIER ACCESS INSURANCE COMPANY            | 393,075.80   | EMPLOYEE DENTAL BENEFITS PREMIUM       | VARIOUS               |
| T2918      | STINSON'S                                   | 351,718.15   | OFFICE SUPPLIES                        | VARIOUS               |
| T5562      | JDM SOLUTIONS INC                           | 335,560.00   | PROFESSIONAL SERVICES                  | MIS INFRASTRUCTURE    |
| T5076      | MERIDIAN HEALTH SYSTEMS, P.C.               | 330,412.50   | PROFESSIONAL SERVICES                  | HEALTH SERVICES - UM  |

# KERN HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                       | Year-to-Date | Description  | Department            |
|------------|-----------------------------------|--------------|--|-----------------------|
| T2167      | PG&E                              | 315,875.01   | UTILITIES  | CORPORATE SERVICES    |
| T4657      | DAPONDE SIMPSON ROWE PC           | 314,343.57   | LEGAL FEES   | VARIOUS               |
| T5701      | THE GRANGER NETWORK LLC           | 301,400.00   | SUPERVISOR BOOTCAMP  | ADMINISTRATION        |
| T4165      | SHI INTERNATIONAL CO.             | 290,744.05   | NETWORK SWITCHES WITH SUPPORT  | MIS INFRASTRUCTURE    |
| T4331      | COTIVITI, INC                     | 275,540.02   | 2023 HEDIS LICENSE & PROFESSIONAL SERVICES   | HEALTH SERVICES - QI  |
| T3011      | OFFICE ALLY, INC                  | 273,681.83   | EDI CLAIM PROCESSING   | CLAIMS                |
| T2726      | DST PHARMACY SOLUTIONS, INC       | 273,245.63   | PHARMACY CLAIMS  | PHARMACY              |
| T5292      | ALL'S WELL HEALTH CARE SERVICES   | 259,358.24   | TEMPORARY HELP   | VARIOUS               |
| T4452      | WELLS FARGO                       | 256,459.68   | ACH- MISC CREDIT CARD PURCHASES  | VARIOUS               |
| T2584      | UNITED STATES POSTAL SVC - HASLER | 250,000.00   | POSTAGE (METER) FUND   | CORPORATE SERVICES    |
| T4460      | PAYSPAN, INC                      | 246,667.69   | ELECTRONIC CLAIMS/PAYMENTS   | FINANCE               |
| T1861      | CERIDIAN HCM, INC.                | 243,764.68   | MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES       |
| T5344      | SIGNATURE STAFF RESOURCES LLC     | 227,448.00   | 2023 PROFESSIONAL SERVICES   | BUSINESS INTELLIGENCE |
| T1128      | HALL LETTER SHOP                  | 192,318.94   | MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS                     | VARIOUS               |

# KERN·HEALTH SYSTEMS

## Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name                        | Year-to-Date | Description   | Department                   |
|------------|------------------------------------|--------------|---|------------------------------|
| T4353      | TWE SOLUTIONS, INC                 | 192,285.74   | CORTEX XDR PRO LICENSES   | MIS INFRASTRUCTURE           |
| T5509      | NGUYEN CAO LUU-TRONG               | 191,848.00   | PROFESSIONAL SERVICES   | HEALTH SERVICES - UM         |
| T1960      | LOCAL HEALTH PLANS OF CALIFORNIA   | 191,074.03   | WEBINAR REGISTRATIONS & SPECIAL DUES ASSESSMENT   | VARIOUS                      |
| T5546      | BITWISE TECHNOLOGY CONSULTING, LLC | 188,131.80   | OCR SERVICES AND PROFESSIONAL SERVICES  | VARIOUS                      |
| T4538      | CHANGE HEALTHCARE SOLUTIONS, LLC   | 183,452.14   | 2023 EDI CLAIM PROCESSING   | CLAIMS                       |
| T5520      | BG HEALTHCARE CONSULTING, INC      | 176,325.00   | PROFESSIONAL SERVICES   | POPULATION HEALTH MANAGEMENT |
| T5111      | ENTISYS 360, E360                  | 173,563.05   | NUTANIX ACROPOLIS SOFTWARE LICENSE  | MIS INFRASTRUCTURE           |
| T4708      | HEALTH MANAGEMENT ASSOCIATES, INC  | 171,731.25   | PROFESSIONAL SERVICES   | ADMINISTRATION               |
| T5145      | CCS ENGINEERING FRESNO INC         | 170,630.63   | JANITORIAL SERVICES   | CORPORATE SERVICES           |
| T2469      | DST HEALTH SOLUTIONS, LLC          | 167,100.00   | ANNUAL ACG LICENSE & SUPPORT  | BUSINESS INTELLEGENCE        |
| T2413      | TREK IMAGING INC                   | 161,091.81   | COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS                      |
| WT/ACH     | USPS                               | 150,000.00   | FUND KHS POSTAL ONE/EPS ACCOUNT   | CORPORATE SERVICES           |
| T4501      | ALLIED UNIVERSAL SECURITY SERVICES | 146,350.83   | ONSITE SECURITY   | CORPORATE SERVICES           |
| T5486      | ALLIED GENERAL CONTRACTORS, INC    | 143,350.00   | OFFICE PAINTING & CONSTRUCTION  | CAPITAL                      |

# KERN HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                            | Year-to-Date | Description   | Department                           |
|------------|--|--------------|---|--------------------------------------|
| T2933      | SIERRA PRINTERS, INC                   | 141,080.68   | PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS | VARIOUS                              |
| T2955      | DELTA ELECTRIC INC                     | 133,965.00   | OFFICE REMODEL ELECTRICAL WORK  | CORPORATE SERVICES                   |
| T5583      | THE MIHALIK GROUP, LLC                 | 128,032.50   | NCQA TRAINING   | HEALTH SERVICES - QI                 |
| T5503      | SECURE-CENTRIC INC                     | 124,794.20   | RUBRIK ENTERPRISE SUPPORT   | MIS INFRASTRUCTURE                   |
| T1272      | COFFEY COMMUNICATIONS INC              | 120,107.85   | MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION                                | HEALTH EDUCATION/MEDIA & ADVERTISING |
| T1005      | COLONIAL LIFE & ACCIDENT               | 119,264.98   | LIFE INSURANCE PREMIUM  | VARIOUS                              |
| T5738      | INSURICA - WALTER MORTENSEN INSURANCE  | 118,770.00   | 2023-2024 ANNUAL WORKERS' COMP PREMIUM                                  | ADMINISTRATION                       |
| T5340      | GARTNER INC                            | 117,060.00   | ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES        | MIS ADMINISTRATION                   |
| T4514      | A.J. KLEIN, INC T.DENATALE, B. GOLDNER | 116,117.37   | LEGAL FEES  | ADMINISTRATION                       |
| T4963      | LINKEDIN CORPORATION                   | 112,372.50   | ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES                                | HUMAN RESOURCES                      |
| T5121      | TPX COMMUNICATIONS                     | 111,486.96   | LOCAL CALL SERVICES; LONG DISTANCE CALLS; INTERNET SERVICES; 800 LINES  | MIS INFRASTRUCTURE                   |
| T1022      | UNUM LIFE INSURANCE CO.                | 108,502.90   | EMPLOYEE PREMIUM  | PAYROLL DEDUCTION                    |
| T5329      | RELAY NETWORK, LLC                     | 94,999.93    | TEXT MESSAGING SUBSCRIPTION   | CAPITAL PROJECT                      |
| T2961      | SOLUTION BENCH, LLC                    | 94,001.55    | M-FILES SOFTWARE ANNUAL RENEWAL   | MIS INFRASTRUCTURE                   |

# KERN·HEALTH SYSTEMS

## Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name                                | Year-to-Date | Description                                 | Department                  |
|------------|--|--------------|---|-----------------------------|
| T5734      | CAROL ANN STILTNER                         | 93,523.99    | PROFESSIONAL SERVICES                       | MEDICARE                    |
| T4217      | CONTEXT 4 HEALTHCARE, INC                  | 86,083.12    | ANNUAL RENEWAL AMA FEES & CPT LICENSE       | MIS INFRASTRUCTURE          |
| T2941      | KERN PRINT SERVICES INC                    | 83,808.96    | OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD | VARIOUS                     |
| T4503      | VISION SERVICE PLAN                        | 81,720.37    | EMPLOYEE HEALTH BENEFITS                    | VARIOUS                     |
| I3088      | GLEN BROWN CONSULTING ****                 | 81,275.00    | CONSULTING                                  | HEALTH SERVICES - IPP       |
| T4483      | INFUSION AND CLINICAL SERVICES, INC        | 80,177.67    | DIABETIC GRANT PROGRAM                      | COMMUNITY GRANTS            |
| T4054      | ASSOCIATION FOR COMMUNITY AFFILIATED PLANS | 77,000.00    | 2023 ANNUAL DUES ASSESSMENT                 | ADMINISTRATION              |
| T4484      | JACOBSON SOLUTIONS                         | 76,148.22    | TEMPORARY HELP                              | HEALTH SERVICES - UM        |
| T4265      | SIERRA SCHOOL EQUIPMENT COMPANY            | 74,342.53    | BOARDROOM FURNITURE                         | CORPORATE SERVICES          |
| T5291      | PINNACLE RECRUITMENT SERVICES LLC          | 73,810.52    | TEMPORARY HELP                              | VARIOUS                     |
| T4792      | KP LLC                                     | 67,899.79    | PROVIDER DIRECTORIES                        | PROVIDER NETWORK MANAGEMENT |
| T5319      | CITIUSTECH INC                             | 63,747.00    | FAST+ ANNUAL MAINTENANCE & SUPPORT          | MIS INFRASTRUCTURE          |
| T2969      | AMERICAN BUSINESS MACHINES INC             | 62,484.85    | HARDWARE AND MAINTENANCE                    | CORPORATE SERVICES          |
| T4902      | CHANGE HEALTHCARE TECHNOLOGIES, LLC        | 61,202.84    | 2023 EDI CLAIM PROCESSING                   | CLAIMS                      |

# KERN HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                           | Year-to-Date | Description                                   | Department                   |
|------------|---------------------------------------|--------------|---|------------------------------|
| T5392      | THE KNOWLEDGE ACADEMY INC             | 60,790.00    | CA PROJECT MANAGEMENT TRAINING                | MIS ADMINISTRATION           |
| T5436      | THE BEACON STUDIOS LLC                | 58,902.00    | TV COMMERCIAL PRODUCTION                      | MEDIA & ADVERTISING          |
| T5524      | REST & REASSURE, LLC                  | 58,500.00    | 2023 PROFESSIONAL SERVICES                    | POPULATION HEALTH MANAGEMENT |
| T5743      | INTEL AGREE, COLABS                   | 58,375.00    | CONTRACTING MANAGEMENT SOFTWARE               | CAPITAL                      |
| T4985      | CYBERCODERS, INC                      | 55,601.90    | PROFESSIONAL SERVICES                         | MIS ADMINISTRATION           |
| T4934      | APPLE INC.                            | 53,336.52    | EQUIPMENT - CELL PHONES                       | VARIOUS                      |
| T4415      | DANIELLS PHILLIPS VAUGHAN AND BOCK    | 51,900.00    | 2022 AUDIT FEES                               | FINANCE                      |
| T5201      | JAC SERVICES, INC                     | 50,936.58    | AC MAINTENANCE & SERVICE                      | CORPORATE SERVICES           |
| T4785      | COMMGAP                               | 50,232.50    | INTERPRETATION SERVICES                       | HEALTH EDUCATION             |
| T3972      | JOURNEY AIR CONDITIONING CO., INC     | 50,035.00    | HVAC NEW UNIT & INSTALL                       | CAPITAL                      |
| T1183      | MILLIMAN USA                          | 49,996.00    | CY2021/2022 TNE & IBNP CONSULTING - ACTUARIAL | ADMINISTRATION               |
| T5550      | CHARTER COMMUNICATIONS OPERATING, LLC | 49,917.13    | INTERNET SERVICES                             | MIS INFRASTRUCTURE           |
| T5644      | JENNIFER ELIZABETH CLANCY             | 49,500.00    | PROFESSIONAL SERVICES                         | MIS INFRASTRUCTURE           |
| T3986      | JACQUELYN S JANS                      | 49,410.00    | CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN      | ADMINISTRATION/ MARKETING    |



# KERN·HEALTH SYSTEMS

## Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name                            | Year-to-Date | Description  | Department         |
|------------|--|--------------|--|--------------------|
| T4216      | NEXSTAR BROADCASTING INC               | 49,320.00    | ADVERTISEMENT - MEDIA  | MARKETING          |
| T4585      | DELANO UNION SCHOOL DISTRICT           | 49,000.00    | SCHOOL WELLNESS GRANT  | COMMUNITY GRANTS   |
| T5429      | JANE MACADAM                           | 48,775.18    | 2022/2023 HYBRID COMMUTING                                     | COMPLIANCE         |
| T5479      | TRANSFORMING LOCAL COMMUNITIES, INC    | 48,611.30    | 2022/2023 PROVIDER GRANT PROGRAM                               | COMMUNITY GRANTS   |
| T1404      | CALIFORNIA ASSOCIATION OF HEALTH PLANS | 48,427.00    | 2023 ANNUAL DUES ASSESSMENT                                    | ADMINISTRATION     |
| T2446      | AT&T MOBILITY                          | 47,477.62    | CELLULAR PHONE/INTERNET USAGE                                  | MIS INFRASTRUCTURE |
| T5802      | MOTOR VEHICLE NETWORK ****             | 47,430.00    | ADVERTISING -MOTOR VEHICLE NETWORK                             | MARKETING          |
| T5298      | TOTALMED, INC                          | 47,213.92    | TEMPORARY HELP   | VARIOUS            |
| T5592      | BRAND CO MARKETING                     | 46,150.84    | KHS STORE INVENTORY ITEMS & PROMOTIONAL ITEMS                  | VARIOUS            |
| T5480      | PRESS GANEY ASSOCIATES LLC             | 46,002.00    | 2023 ECM & PROVIDER SATISFACTION SURVEYS                       | VARIOUS            |
| T2509      | USPS                                   | 45,392.96    | PERMIT #88 SUMMER ISSUE FAMILY HEALTH MAGAZINE POSTAGE FUNDING | HEALTH EDUCATION   |
| T2869      | COMMUNITY ACTION PARTNERSHIP OF KERN   | 45,000.00    | 2023 COMMUNITY GRANT   | COMMUNITY GRANTS   |
| T5645      | RIDGECREST REGIONAL HOSPITAL           | 45,000.00    | PROVIDER QUALITY CARE GRANT PROGRAM                            | COMMUNITY GRANTS   |
| T5107      | CITRIX SYSTEMS, INC                    | 42,619.20    | CITRIX LICENSE RENEWAL   | MIS INFRASTRUCTURE |

# KERN HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                             | Year-to-Date | Description                                   | Department                  |
|------------|---|--------------|---|-----------------------------|
| T5687      | IRISE EXECUTIVE COACHING LLC            | 42,000.00    | EXECUTIVE RETREAT                             | ADMINISTRATION              |
| T4607      | AGILITY RECOVERY SOLUTIONS INC          | 41,845.47    | PROFESSIONAL SERVICES                         | ADMINISTRATION              |
| T5408      | MARY HARRIS                             | 40,635.00    | PROFESSIONAL SERVICES                         | HEALTH SERVICES - UM        |
| T5367      | ADVENTIST HEALTH DELANO                 | 39,910.73    | PROVIDER GRANT PROGRAM                        | COMMUNITY GRANT             |
| T4182      | THE LAMAR COMPANIES                     | 39,357.94    | OUTDOOR ADVERTISEMENT - BILLBOARDS            | ADVERTISING                 |
| T2441      | LAURA J BREZINSKI                       | 38,250.00    | MARKETING MATERIALS                           | MARKETING                   |
| T5109      | RAND EMPLOYMENT SOLUTIONS               | 38,070.89    | TEMPORARY HELP                                | VARIOUS                     |
| T2641      | MARANATHA GARDENING & LANDSCAPING, INC  | 37,777.50    | 2023 BUILDING MAINTENANCE                     | CORPORATE SERVICE           |
| T5467      | MOSS ADAMS LLP                          | 37,597.00    | 2023 CLAIMS AUDIT TOOL SUPPORT & LICENSES     | MIS INFRASTRUCTURE          |
| T2580      | GOLDEN EMPIRE TRANSIT DISTRICT          | 36,900.00    | OUTDOOR ADVERTISEMENT - BUSES                 | ADVERTISING                 |
| T2851      | SINCLAIR TELEVISION OF BAKERSFIELD, LLC | 36,830.00    | ADVERTISEMENT - MEDIA                         | MARKETING                   |
| T5435      | TEGRIA SERVICES GROUP - US, INC         | 36,500.00    | PROFESSIONAL SERVICES                         | HEALTH SERVICES - UM        |
| T1694      | KERN COUNTY FAIR ****                   | 35,625.00    | 2023 FAIR SIGNAGE, EMPLOYEE TICKETS & PARKING | HUMAN RESOURCES & MARKETING |
| T4059      | KERN VALLEY HEALTHCARE DISTRICT         | 35,327.26    | 2022/2023 PROVIDER QUALITY CARE GRANT         | COMMUNITY GRANTS            |

# KERN HEALTH SYSTEMS

## Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name                              | Year-to-Date | Description  | Department                  |
|------------|--|--------------|--|-----------------------------|
| T2578      | AMERICAN HEART ASSOCIATION - KERN COUNTY | 35,000.00    | SPONSORSHIP  | MEDIA & ADVERTISING         |
| T1097      | NCQA                                     | 34,502.56    | HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDIATION | HEALTH SERVICES - QI        |
| T1347      | ADVANCED DATA STORAGE                    | 32,563.85    | STORAGE AND SHREDDING SERVICES   | CORPORATE SERVICES          |
| T5696      | ASA GLOBAL HEALTHCARE SERVICES PC        | 31,000.00    | PROFESSIONAL SERVICES  | UTILIZATION MANAGEMENT-UM   |
| T5568      | MICHELLE OXFORD                          | 30,910.89    | CONSULTING SERVICES  | EXECUTIVE                   |
| T5574      | CARMAX AUTO SUPERSTORES, INC             | 30,451.85    | COMPANY VEHICLE  | CORPORATE SERVICES          |
| T4993      | LEGALSHIELD                              | 30,210.80    | EMPLOYEE PAID VOLUNTARY COVERAGE   | PAYROLL DEDUCTION           |
| T2921      | DOUBLETREE HOTEL                         | 30,076.00    | PROVIDER FORUM EDUCATIONAL EVENT   | PROVIDER NETWORK MANAGEMENT |
| T5012      | KERN MEDICAL CENTER FOUNDATION           | 30,000.00    | VALLEY FEVER WALK SPONSOSHIP   | MARKETING                   |
| T4554      | THE KEN BLANCHARD COMPANIES              | 28,845.93    | LEADERSHIP TRAINING COURSES  | HUMAN RESOURCES             |
| T4982      | NGC US, LLC                              | 28,550.00    | PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM                       | VARIOUS                     |
| T5741      | HEALTHWISE, INCORPORATED                 | 28,402.23    | MEMBER SELF MANAGEMENT TOOLS   | HEALTH EDUCATION            |
| T4230      | COFFEE BREAK SERVICE, INC.               | 27,943.73    | COFFEE SUPPLIES  | CORPORATE SERVICES          |
| T5494      | LDP ASSOCIATES, INC                      | 27,300.00    | 2023/2024 DISASTER RECOVERY & PC COOLING MAINT.                              | VARIOUS                     |

# KERN HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                                  | Year-to-Date | Description   | Department                |
|------------|--|--------------|---|---------------------------|
| T5300      | CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC | 26,780.00    | COVID-19 TESTING  | HUMAN RESOURCES           |
| T4424      | GUROCK SOFTWARE GmbH                         | 26,565.97    | TESTRAIL SOFTWARE RENEWAL                                 | MIS INFRASTRUCTURE        |
| T5578      | KIMBERY A MARTIN                             | 25,665.50    | PROFESSIONAL SERVICES                                     | UTILIZATION MANAGEMENT-UM |
| T4228      | THE SSI GROUP, LLC                           | 25,469.40    | 2023 EDI CLAIM PROCESSING                                 | CLAIMS                    |
| T1007      | FEDERAL EXPRESS CORP.                        | 25,414.01    | DELIVERY SERVICES   | VARIOUS                   |
| T4731      | GO TO TECHNOLOGY CONSULTING, LLC             | 25,062.00    | INTERNET SERVICES   | MIS INFRASTRUCTURE        |
| T5530      | JONES LANG LASALLE AMERICAS, INC             | 23,960.00    | CUBICLE SCHEDULING APP IMPLEMENTATION & TRAIING           | CORPORATE SERVICES        |
| T5653      | SUN OUTDOOR ADVERTISING LLC                  | 23,935.00    | OUTDOOR ADVERTISEMENT - BILLBOARDS                        | ADVERTISING               |
| T2787      | SAGE SOFTWARE, INC                           | 23,561.11    | SAGE 300 CLOUD SOFTWARE RENEWAL                           | FINANCE                   |
| T4375      | EQUIFAX WORKFORCE SOLUTIONS, LLC             | 23,213.58    | EMPLOYEE RECRUITMENT                                      | HUMAN RESOURCES           |
| T5317      | PRESIDIO NETWORKED SOLUTIONS GROUP LLC       | 23,125.00    | NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT | MIS INFRASTRUCTURE        |
| T5395      | LIVONGO HEALTH, INC                          | 22,290.00    | EMPLOYEE HMO HEALTH BENEFITS PREMIUM                      | VARIOUS                   |
| T5420      | PAYPRO ADMINISTRATORS                        | 22,124.80    | FSA EMPLOYEE BENEFIT                                      | VARIOUS                   |
| T5669      | THE OPEN DOOR NETWORK                        | 21,418.00    | 2023 SPONSORSHIPS & COMMUNITY GRANT                       | MARKETING                 |

# KERN·HEALTH SYSTEMS

## Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name                                      | Year-to-Date            | Description           | Department                |
|------------|--|-------------------------|-----------------------|---------------------------|
| T5652      | RACHAEL L HOBBS ****                             | 21,000.00               | PROFESSIONAL SERVICES | UTILIZATION MANAGEMENT-UM |
| T5711      | CALABRIO, INC.                                   | 20,159.50               | TELEOPTI WFM LICENSES | MIS INFRASTRUCTURE        |
| T4523      | BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA **** | 20,037.85               | EMPLOYEE PREMIUM      | PAYROLL DEDUCTION         |
| T5535      | PANAMA-BUENA VISTA UNION SCHOOL DISTRICT         | 20,000.00               | SCHOOL WELLNESS GRANT | COMMUNITY GRANTS          |
|            |  | <u>45,297,582.86</u>    |                       |                           |
|            | TOTAL VENDORS OVER \$20,000                      | 45,297,582.86           |                       |                           |
|            | TOTAL VENDORS UNDER \$20,000                     | 2,112,625.72            |                       |                           |
|            | TOTAL VENDOR EXPENSES- SEPTEMBER                 | <u>\$ 47,410,208.58</u> |                       |                           |

Note:

\*\*\*\*New vendors over \$20,000 for the month of September

# KERN·HEALTH SYSTEMS

**October AP Vendor Report**  
**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                              | Current Month | Year-to-Date | Description   | Department                 |
|------------|--|---------------|--------------|---|----------------------------|
| T1045      | KAISER FOUNDATION HEALTH - HMO           | 649,784.37    | 5,979,631.07 | OCT. 2023 EMPLOYEE HMO HEALTH BENEFITS PREMIUM                              | VARIOUS                    |
| T4350      | COMPUTER ENTERPRISE                      | 538,678.78    | 4,836,150.58 | AUG. & SEPT. 2023 PROFESSIONAL SERVICES/CONSULTING SERVICES                 | VARIOUS                    |
| T5452      | BLACKHAWK ENGAGEMENT SOLUTIONS, INC **** | 406,000.00    | 3,746,640.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM                     | UTILIZATION MANAGEMENT- QI |
| T2686      | ALLIANT INSURANCE SERVICES INC.          | 266,194.86    | 1,123,000.03 | 2023/2024 EARTHQUAKE & EXCESS COMMERCIAL LIABILITY INSURANCE                | EXECUTIVE                  |
| T4737      | TEKSYSTEMS, INC.                         | 221,037.57    | 2,441,960.55 | SEPT. 2023 PROFESSIONAL SERVICES  | MIS INFRASTRUCTURE         |
| T1408      | DELL MARKETING L.P. ****                 | 217,815.54    | 1,024,929.98 | (70) MONITORS, (1) LAPTOP, AND 15-MONTH TERM MICROSOFT LICENSING            | MIS INFRASTRUCTURE         |
| T4331      | COTIVITI, INC ****                       | 194,715.65    | 470,255.67   | 2024 HEDIS ANNUAL LICENSE FEE & AUG & SEPT. PROFESSIONAL SERVICES           | HEALTH SERVICES - QI       |
| T4733      | UNITED STAFFING ASSOCIATES               | 134,279.38    | 705,444.07   | SEPT. & OCT. 2023 TEMPORARY HELP - (1) FIN: (1) UM: (24) MS: (1) AD: (1) CS | VARIOUS                    |
| T4237      | FLUIDEDGE CONSULTING, INC ****           | 104,042.50    | 509,387.50   | AUG. & SEPT. 2023 CONSULTING SERVICES                                       | VARIOUS                    |
| T5337      | CAZADOR CONSULTING GROUP INC             | 90,593.25     | 985,328.46   | SEPT. 2023 TEMPORARY HELP - (16) MS: (1) CS: (1) AD                         | VARIOUS                    |
| T4657      | DAPONDE SIMPSON ROWE PC                  | 81,699.00     | 396,042.57   | AUG. 2023 LEGAL FEES  | VARIOUS                    |
| T5701      | THE GRANGER NETWORKS LLC                 | 74,818.86     | 376,218.86   | EXECUTIVE COACHING & NEXT ERA BOOTCAMP                                      | ADMINISTRATION             |
| T1180      | LANGUAGE LINE SERVICES INC.              | 69,446.08     | 774,115.80   | SEPT. 2023 INTERPRETATION SERVICES  | HEALTH EDUCATION           |
| T4353      | TWE SOLUTIONS, INC ****                  | 64,231.80     | 256,517.54   | SECURITY INFORMATION & EVENT MANAGER (YR 1 OF 3)                            | CAPITAL                    |

# KERN·HEALTH SYSTEMS

**October AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                                 | Current Month | Year-to-Date | Description   | Department                   |
|------------|---|---------------|--------------|---|------------------------------|
| T5340      | GARTNER INC. ****                           | 61,320.00     | 178,380.00   | (2) ANNUAL LICENSES FOR COMPLIANCE LEADERS  | MIS ADMINISTRATION           |
| T5344      | SIGNATURE STAFF RESOURCES LLC               | 56,531.00     | 283,979.00   | SEPT. 2023 PROFESSIONAL SERVICES  | BUSINESS INTELLIGENCE        |
| T3088      | GLEN BROWN CONSULTING                       | 54,225.00     | 135,500.00   | SEPT. 2023 CONSULTING   | HEALTH SERVICES - IPP        |
| T5658      | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 51,032.17     | 484,162.28   | OCT. 2023 VOLUNTARY LIFE, AD&D INSURANCE PREMIUM  | VARIOUS                      |
| T5421      | PREMIER ACCESS INSURANCE COMPANY            | 47,002.57     | 440,078.37   | OCT. 2023 EMPLOYEE DENTAL BENEFITS PREMIUM  | VARIOUS                      |
| T2584      | UNITED STATES POSTAL SVC. - HASLER          | 40,000.00     | 290,000.00   | POSTAGE (METER) FUND  | CORPORATE SERVICES           |
| T5292      | ALL'S WELL HEALTH CARE SERVICES ****        | 37,233.27     | 296,591.51   | SEPT. 2023 TEMPORARY HELP - (3) QI  | VARIOUS                      |
| T1861      | CERIDIAN HCM, INC.                          | 36,111.31     | 279,875.99   | AUG.,SEPT. & OCT. 2023 SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT | HUMAN RESOURCES              |
| T2167      | PG&E  | 35,362.74     | 351,237.75   | SEPT. & OCT. 2023 UTILITIES   | CORPORATE SERVICES           |
| T5520      | BG HEALTHCARE CONSULTING, INC               | 35,362.50     | 211,687.50   | SEPT. 2023 PROFESSIONAL SERVICES  | POPULATION HEALTH MANAGEMENT |
| T4452      | WELLS FARGO ACH                             | 33,667.16     | 290,126.84   | SEPT. 2023 MISC CREDIT CARD PURCHASES   | VARIOUS                      |
| T5022      | SVAM INTERNATIONAL INC                      | 33,600.00     | 523,997.57   | SEPT. 2023 PROFESSIONAL SERVICES  | MIS ADMINISTRATION           |
| T5298      | TOTALMED, INC                               | 31,710.42     | 78,924.34    | SEPT. 2023 TEMPORARY HELP   | VARIOUS                      |
| T2413      | TREK IMAGING INC ****                       | 30,417.98     | 191,509.79   | NEW HIRE SHIRTS, HYGEINE KITS, KHS STORE INVENTORY  | VARIOUS                      |

# KERN·HEALTH SYSTEMS

**October AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                                   | Current Month          | Year-to-Date | Description  | Department                |
|------------|---|------------------------|--------------|--|---------------------------|
| T5781      | SHELLMAN COMPLIANCE LLC ****                  | 29,100.00              | 29,100.00    | SECURITY ASSESSMENT SERVICES                                       | CAPITAL                   |
| T5076      | MERIDIAN HEALTH SYSTEMS, P.C.                 | 27,487.50              | 357,900.00   | SEPT. 2023 PROFESSIONAL SERVICES                                   | UTILIZATION MANAGEMENT-UM |
| T4165      | SHI INTERNATIONAL CO. ****                    | 27,240.71              | 317,984.76   | CISCO DUO LICENSE RENEWAL 2023/24                                  | MIS INFRASTRUCTURE        |
| T4722      | COGNIZANT TRIZETTO SOFTWARE GROUP, INC        | 26,173.25              | 1,231,321.36 | SEPT. 2023 PROFESSIONAL SERVICES & SEPT. 2023 EDI CLAIM PROCESSING | VARIOUS                   |
| T4605      | KERVILLE UNION SCHOOL DISTRICT ****           | 24,000.00              | 42,000.00    | SCHOOL WELLNESS GRANTS 2ND & 3RD INSTALLMENT                       | COMMUNITY GRANTS          |
| T3011      | OFFICE ALLY, INC                              | 23,724.96              | 297,406.79   | SEPT. 2023 EDI CLAIM PROCESSING                                    | CLAIMS                    |
| T4514      | A.J. KLEIN, INC T. DENATALE, B. GOLDNER ****  | 23,517.50              | 139,634.87   | SEPT. 2023 LEGAL FEES  | ADMINISTRATION            |
| T5319      | CITIUSTECH INC. ****                          | 21,249.00              | 84,996.00    | Q3 2023 FAST+ ANNUAL MAINTENANCE & SUPPORT                         | MIS INFRASTRUCTURE        |
| T4538      | CHANGE HEALTHCARE SOLUTIONS, LLC              | 20,832.18              | 204,284.32   | SEPT. 2023 EDI CLAIM PROCESSING                                    | CLAIMS                    |
| T5535      | PANAMA-BUENA VISTA UNION SCHOOL DISTRICT **** | 20,000.00              | 40,000.00    | SCHOOL WELLNESS GRANTS 3RD INSTALLMENT                             | COMMUNITY GRANTS          |
|            |   | <b>3,940,238.86</b>    |              |  |                           |
|            | TOTAL VENDORS OVER \$20,000                   | 3,940,238.86           |              |  |                           |
|            | TOTAL VENDORS UNDER \$20,000                  | 616,672.60             |              |  |                           |
|            | TOTAL VENDOR EXPENSES- OCTOBER                | <b>\$ 4,556,911.46</b> |              |  |                           |

Note:

\*\*\*\*New vendors over \$20,000 for the month of October



# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                            | Year-to-Date | Description   | Department                     |
|------------|--|--------------|---|--------------------------------|
| T1045      | KAISER FOUNDATION HEALTH - HMO         | 5,979,631.07 | EMPLOYEE HMO HEALTH BENEFITS PREMIUM                    | VARIOUS                        |
| T4350      | COMPUTER ENTERPRISE                    | 4,836,150.58 | PROFESSIONAL SERVICES/CONSULTING SERVICES               | VARIOUS                        |
| T5452      | BLACKHAWK ENGAGEMENT SOLUTIONS INC     | 3,746,640.00 | PREFUND MEMBER INCENTIVES & MCAS MEMBER REWARDS PROGRAM | UTILIZATION MANAGEMENT-HE & QI |
| T4737      | TEKSYSTEMS, INC.                       | 2,441,960.55 | PROFESSIONAL SERVICES                                   | MIS INFRASTRUCTURE             |
| T5155      | A-C ELECTRIC COMPANY                   | 1,659,450.37 | CARPOOL SOLAR PROJECT                                   | CAPITAL                        |
| T3449      | CDW GOVERNMENT                         | 1,557,700.59 | NUTANIX RENEWAL & ADOBE LICENSES                        | MIS INFRASTRUCTURE             |
| T3130      | OPTUMINSIGHT, INC                      | 1,270,750.51 | ANNUAL LICENSED SOFTWARE                                | MIS INFRASTRUCTURE             |
| T4722      | COGNIZANT TRIZETTO SOFTWARE GROUP, INC | 1,231,321.36 | PROFESSIONAL SERVICES & ANNUAL LICENSING                | VARIOUS                        |
| T2704      | MCG HEALTH LLC                         | 1,186,808.43 | ANNUAL HEALTH CARE MANAGEMENT & SOFTWARE LICENSE        | UTILIZATION MANAGEMENT         |
| T2686      | ALLIANT INSURANCE SERVICES INC.        | 1,123,000.03 | 2023 -2024 INSURANCE PREMIUMS                           | ADMINISTRATION                 |
| T5684      | REBELLIS GROUP LLC                     | 1,046,483.71 | MAPD BUSINESS CONSULTING                                | MEDICARE                       |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                                 | Year-to-Date | Description  | Department            |
|------------|---|--------------|--|-----------------------|
| T1408      | DELL MARKETING L.P.                         | 1,024,929.98 | COMPUTER EQUIPMENT & SOFTWARE MAINTENANCE                | MIS INFRASTRUCTURE    |
| T5337      | CAZADOR CONSULTING GROUP INC                | 985,328.46   | TEMPORARY HELP   | VARIOUS               |
| T1071      | CLINICA SIERRA VISTA                        | 911,881.47   | HEALTH HOMES GRANT & PROVIDER CARE QUALITY GRANT PROGRAM | COMMUNITY GRANTS      |
| T1180      | LANGUAGE LINE SERVICES INC                  | 774,115.80   | INTERPRETATION SERVICES                                  | HEALTH EDUCATION      |
| T4699      | ZEOMEGA, INC                                | 773,986.13   | PROFESSIONAL SERVICES                                    | MIS INFRASTRUCTURE    |
| T4733      | UNITED STAFFING ASSOCIATES                  | 705,444.07   | TEMPORARY HELP   | VARIOUS               |
| T5432      | CATALYST SOLUTIONS, LLC                     | 662,854.37   | PROFESSIONAL SERVICES                                    | BUSINESS INTELLIGENCE |
| T5466      | ZIPARI, INC                                 | 600,545.68   | 2023 JIVA MEMBER PORTAL                                  | MIS INFRASTRUCTURE    |
| T2458      | HEALTHCARE FINANCIAL, INC                   | 539,728.22   | PROFESSIONAL SERVICES                                    | ADMINISTRATION        |
| T5022      | SVAM INTERNATIONAL INC                      | 523,997.57   | PROFESSIONAL SERVICES                                    | MIS ADMINISTRATION    |
| T1845      | DEPARTMENT OF MANAGED HEALTH CARE           | 523,361.90   | 2023-2024 MCAL ANNUAL ASSESSMENT                         | ADMINISTRATION        |
| T4237      | FLUIDEDGE CONSULTING, INC                   | 509,387.50   | CONSULTING SERVICES                                      | VARIOUS               |
| T5658      | THE PRUDENTIAL INSURANCE COMPANY OF AMERICA | 484,162.28   | VOLUNTARY LIFE, AD&D INSURANCE PREMIUM                   | VARIOUS               |
| T4331      | COTIVITI, INC                               | 470,255.67   | 2023 HEDIS LICENSE & PROFESSIONAL SERVICES               | HEALTH SERVICES - QI  |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                       | Year-to-Date | Description                      | Department           |
|------------|-----------------------------------|--------------|----------------------------------|----------------------|
| T5421      | PREMIER ACCESS INSURANCE COMPANY  | 440,078.37   | EMPLOYEE DENTAL BENEFITS PREMIUM | VARIOUS              |
| T4657      | DAPONDE SIMPSON ROWE PC           | 396,042.57   | LEGAL FEES                       | VARIOUS              |
| T5701      | THE GRANGER NETWORK LLC           | 376,218.86   | SUPERVISOR BOOTCAMP              | ADMINISTRATION/HR    |
| T2918      | STINSON'S                         | 366,185.01   | OFFICE SUPPLIES                  | VARIOUS              |
| T5076      | MERIDIAN HEALTH SYSTEMS, P.C.     | 357,900.00   | PROFESSIONAL SERVICES            | HEALTH SERVICES - UM |
| T2167      | PG&E                              | 351,237.75   | UTILITIES                        | CORPORATE SERVICES   |
| T5562      | JDM SOLUTIONS INC                 | 345,480.00   | PROFESSIONAL SERVICES            | MIS INFRASTRUCTURE   |
| T4165      | SHI INTERNATIONAL CO.             | 317,984.76   | NETWORK SWITCHES WITH SUPPORT    | MIS INFRASTRUCTURE   |
| T3011      | OFFICE ALLY, INC                  | 297,406.79   | EDI CLAIM PROCESSING             | CLAIMS               |
| T5292      | ALL'S WELL HEALTH CARE SERVICES   | 296,591.51   | TEMPORARY HELP                   | VARIOUS              |
| T4452      | WELLS FARGO                       | 290,126.84   | ACH- MISC CREDIT CARD PURCHASES  | VARIOUS              |
| T2584      | UNITED STATES POSTAL SVC - HASLER | 290,000.00   | POSTAGE (METER) FUND             | CORPORATE SERVICES   |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                      | Year-to-Date | Description   | Department                   |
|------------|----------------------------------|--------------|---|------------------------------|
| T5344      | SIGNATURE STAFF RESOURCES LLC    | 283,979.00   | 2023 PROFESSIONAL SERVICES  | BUSINESS INTELLIGENCE        |
| T2726      | DST PHARMACY SOLUTIONS, INC      | 283,745.63   | PHARMACY CLAIMS   | PHARMACY                     |
| T1861      | CERIDIAN HCM, INC.               | 279,875.99   | MONTHLY SUBSCRIPTION FEES/PROFESSIONAL SERVICES/ DAYFORCE HUMAN CAPITAL MANAGEMENT              | HUMAN RESOURCES              |
| T4353      | TWE SOLUTIONS, INC               | 256,517.54   | CORTEX XDR PRO LICENSES   | MIS INFRASTRUCTURE           |
| WT/ACH     | USPS                             | 250,000.00   | FUND KHS POSTAL ONE/EPS ACCOUNT   | CORPORATE SERVICES           |
| T4460      | PAYSPAN, INC                     | 246,667.69   | ELECTRONIC CLAIMS/PAYMENTS  | FINANCE                      |
| T5520      | BG HEALTHCARE CONSULTING, INC    | 211,687.50   | PROFESSIONAL SERVICES   | POPULATION HEALTH MANAGEMENT |
| T4538      | CHANGE HEALTHCARE SOLUTIONS, LLC | 204,284.32   | 2023 EDI CLAIM PROCESSING   | CLAIMS                       |
| T1128      | HALL LETTER SHOP                 | 199,863.61   | MEMBER ID CARDS, MEMBER SURVEY & MAIL PREP, NEW MEMBER PACKETS                                  | VARIOUS                      |
| T5509      | NGUYEN CAO LUU-TRONG             | 191,848.00   | PROFESSIONAL SERVICES   | HEALTH SERVICES - UM         |
| T2413      | TREK IMAGING INC                 | 191,509.79   | COMMUNITY AND MARKETING EVENTS, MEMBER & HEALTH ED INCENTIVES, EMPLOYEE EVENTS, NEW HIRE SHIRTS | VARIOUS                      |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name   | Year-to-Date | Description   | Department            |
|------------|---|--------------|---|-----------------------|
| T1960      | LOCAL HEALTH PLANS OF CALIFORNIA                                      | 191,215.02   | WEBINAR REGISTRATIONS & SPECIAL DUES ASSESSMENT                         | VARIOUS               |
| T5145      | CCS ENGINEERING FRESNO INC  | 188,409.98   | JANITORIAL SERVICES   | CORPORATE SERVICES    |
| T5546      | BITWISE TECHNOLOGY CONSULTING, LLC                                    | 188,131.80   | OCR SERVICES AND PROFESSIONAL SERVICES                                  | VARIOUS               |
| T5340      | GARTNER INC   | 178,380.00   | ANNUAL LEADERS INDIVIDUAL ACCESS ADVISOR - PROFESSIONAL SERVICES        | MIS ADMINISTRATION    |
| T5111      | ENTISYS 360, E360   | 173,563.05   | NUTANIX ACROPOLIS SOFTWARE LICENSE                                      | MIS INFRASTRUCTURE    |
| T4708      | WAKELY CONSULTING GROUP, LLC FRMLY HEALTH MANAGEMENT ASSOCIATES, INC. | 171,731.25   | PROFESSIONAL SERVICES   | ADMINISTRATION        |
| T2469      | DST HEALTH SOLUTIONS, LLC   | 167,100.00   | ANNUAL ACG LICENSE & SUPPORT  | BUSINESS INTELLEGENGE |
| T4501      | ALLIED UNIVERSAL SECURITY SERVICES                                    | 164,047.10   | ONSITE SECURITY   | CORPORATE SERVICES    |
| T5583      | THE MIHALIK GROUP, LLC  | 146,362.50   | NCQA TRAINING   | HEALTH SERVICES - QI  |
| T2933      | SIERRA PRINTERS, INC  | 145,842.49   | PRINTING OF MEMBER EDUCATION MATERIAL/PROVIDER DIRECTORY/BUSINESS CARDS | VARIOUS               |
| T5486      | ALLIED GENERAL CONTRACTORS, INC                                       | 143,350.00   | OFFICE PAINTING & CONSTRUCTION  | CAPITAL               |
| T4514      | A.J. KLEIN, INC T.DENATALE, B. GOLDNER                                | 139,634.87   | LEGAL FEES  | ADMINISTRATION        |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                           | Year-to-Date | Description   | Department                              |
|------------|---------------------------------------|--------------|---|---|
| T3088      | GLEN BROWN CONSULTING                 | 135,500.00   | CONSULTING  | HEALTH SERVICES - IPP                   |
| T2955      | DELTA ELECTRIC INC                    | 134,315.00   | OFFICE REMODEL ELECTRICAL WORK  | CORPORATE SERVICES                      |
| T5121      | TPX COMMUNICATIONS                    | 126,585.98   | LOCAL CALL SERVICES; LONG DISTANCE CALLS;<br>INTERNET SERVICES; 800 LINES | MIS INFRASTRUCTURE                      |
| T1272      | COFFEY COMMUNICATIONS INC             | 125,318.62   | MEMBER NEWSLETTER/WEBSITE IMPLEMENTATION                                  | HEALTH EDUCATION/MEDIA &<br>ADVERTISING |
| T5503      | SECURE-CENTRIC INC                    | 124,794.20   | RUBRIK ENTERPRISE SUPPORT   | MIS INFRASTRUCTURE                      |
| T1022      | UNUM LIFE INSURANCE CO.               | 123,467.30   | EMPLOYEE PREMIUM  | PAYROLL DEDUCTION                       |
| T1005      | COLONIAL LIFE & ACCIDENT              | 119,264.98   | LIFE INSURANCE PREMIUM  | VARIOUS                                 |
| T5738      | INSURICA - WALTER MORTENSEN INSURANCE | 118,943.00   | 2023-2024 ANNUAL WORKERS' COMP PREMIUM                                    | ADMINISTRATION                          |
| T4963      | LINKEDIN CORPORATION                  | 112,372.50   | ANNUAL ONLINE TRAINING FOR ALL EMPLOYEES                                  | HUMAN RESOURCES                         |
| T5329      | RELAY NETWORK, LLC                    | 111,666.59   | TEXT MESSAGING SUBSCRIPTION   | CAPITAL PROJECT                         |
| T5734      | CAROL ANN STILTNER                    | 94,605.89    | PROFESSIONAL SERVICES   | MEDICARE                                |
| T2961      | SOLUTION BENCH, LLC                   | 94,001.55    | M-FILES SOFTWARE ANNUAL RENEWAL   | MIS INFRASTRUCTURE                      |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                                | Year-to-Date | Description                                 | Department                  |
|------------|--|--------------|---|-----------------------------|
| T4503      | VISION SERVICE PLAN                        | 91,413.91    | EMPLOYEE HEALTH BENEFITS                    | VARIOUS                     |
| T5291      | PINNACLE RECRUITMENT SERVICES LLC          | 88,488.23    | TEMPORARY HELP                              | VARIOUS                     |
| T4217      | CONTEXT 4 HEALTHCARE, INC                  | 86,083.12    | ANNUAL RENEWAL AMA FEES & CPT LICENSE       | MIS INFRASTRUCTURE          |
| T5319      | CITIUSTECH INC                             | 84,996.00    | FAST+ ANNUAL MAINTENANCE & SUPPORT          | MIS INFRASTRUCTURE          |
| T2941      | KERN PRINT SERVICES INC                    | 83,808.96    | OTHER PRINTING COSTS, ENVELOPES, LETTERHEAD | VARIOUS                     |
| T4483      | INFUSION AND CLINICAL SERVICES, INC        | 80,177.67    | DIABETIC GRANT PROGRAM                      | COMMUNITY GRANTS            |
| T5298      | TOTALMED, INC                              | 78,924.34    | TEMPORARY HELP                              | VARIOUS                     |
| T4054      | ASSOCIATION FOR COMMUNITY AFFILIATED PLANS | 77,000.00    | 2023 ANNUAL DUES ASSESSMENT                 | ADMINISTRATION              |
| T4484      | JACOBSON SOLUTIONS                         | 76,148.22    | TEMPORARY HELP                              | HEALTH SERVICES - UM        |
| T4265      | SIERRA SCHOOL EQUIPMENT COMPANY            | 74,342.53    | BOARDROOM FURNITURE                         | CORPORATE SERVICES          |
| T4902      | CHANGE HEALTHCARE TECHNOLOGIES, LLC        | 73,614.58    | 2023 EDI CLAIM PROCESSING                   | CLAIMS                      |
| T4792      | KP LLC                                     | 68,649.79    | PROVIDER DIRECTORIES                        | PROVIDER NETWORK MANAGEMENT |
| T2969      | AMERICAN BUSINESS MACHINES INC             | 64,414.35    | HARDWARE AND MAINTENANCE                    | CORPORATE SERVICES          |
| T5550      | CHARTER COMMUNICATIONS OPERATING, LLC      | 61,653.46    | INTERNET SERVICES                           | MIS INFRASTRUCTURE          |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**  
**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                        | Year-to-Date | Description                              | Department                   |
|------------|------------------------------------|--------------|--|------------------------------|
| T5392      | THE KNOWLEDGE ACADEMY INC          | 61,485.00    | CA PROJECT MANAGEMENT TRAINING           | MIS ADMINISTRATION           |
| T4785      | COMMGAP                            | 60,337.50    | INTERPRETATION SERVICES                  | HEALTH EDUCATION             |
| T5436      | THE BEACON STUDIOS LLC             | 59,702.00    | TV COMMERCIAL PRODUCTION                 | MEDIA & ADVERTISING          |
| T4585      | DELANO UNION SCHOOL DISTRICT       | 59,000.00    | SCHOOL WELLNESS GRANT                    | COMMUNITY GRANTS             |
| T5524      | REST & REASSURE, LLC               | 58,500.00    | 2023 PROFESSIONAL SERVICES               | POPULATION HEALTH MANAGEMENT |
| T5743      | INTEL AGREE, COLABS                | 58,375.00    | CONTRACTING MANAGEMENT SOFTWARE          | CAPITAL                      |
| T2446      | AT&T MOBILITY                      | 57,520.86    | CELLULAR PHONE/INTERNET USAGE            | MIS INFRASTRUCTURE           |
| T4985      | CYBERCODERS, INC                   | 55,601.90    | PROFESSIONAL SERVICES                    | MIS ADMINISTRATION           |
| T4934      | APPLE INC.                         | 55,236.44    | EQUIPMENT - CELL PHONES                  | VARIOUS                      |
| T3986      | JACQUELYN S JANS                   | 54,930.00    | CONSULTING FOR KHS PUBLIC IMAGE CAMPAIGN | ADMINISTRATION/ MARKETING    |
| T5201      | JAC SERVICES, INC                  | 51,934.58    | AC MAINTENANCE & SERVICE                 | CORPORATE SERVICES           |
| T4415      | DANIELLS PHILLIPS VAUGHAN AND BOCK | 51,900.00    | 2022 AUDIT FEES                          | FINANCE                      |



# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                            | Year-to-Date | Description  | Department         |
|------------|--|--------------|--|--------------------|
| T1183      | MILLIMAN USA                           | 51,468.25    | CY2021/2022 TNE & IBNP CONSULTING - ACTUARIAL                  | ADMINISTRATION     |
| T1404      | CALIFORNIA ASSOCIATION OF HEALTH PLANS | 50,677.00    | 2023 ANNUAL DUES ASSESSMENT                                    | ADMINISTRATION     |
| T3972      | JOURNEY AIR CONDITIONING CO., INC      | 50,293.00    | HVAC NEW UNIT & INSTALL  | CAPITAL            |
| T5592      | BRAND CO MARKETING                     | 49,868.60    | KHS STORE INVENTORY ITEMS & PROMOTIONAL ITEMS                  | VARIOUS            |
| T5644      | JENNIFER ELIZABETH CLANCY              | 49,500.00    | PROFESSIONAL SERVICES  | MIS INFRASTRUCTURE |
| T4216      | NEXSTAR BROADCASTING INC               | 49,320.00    | ADVERTISEMENT - MEDIA  | MARKETING          |
| T5429      | JANE MACADAM                           | 48,775.18    | 2022/2023 HYBRID COMMUTING                                     | COMPLIANCE         |
| T5479      | TRANSFORMING LOCAL COMMUNITIES, INC    | 48,611.30    | 2022/2023 PROVIDER GRANT PROGRAM                               | COMMUNITY GRANTS   |
| T5802      | MOTOR VEHICLE NETWORK                  | 47,430.00    | ADVERTISING -MOTOR VEHICLE NETWORK                             | MARKETING          |
| T4607      | AGILITY RECOVERY SOLUTIONS INC         | 47,195.47    | PROFESSIONAL SERVICES  | ADMINISTRATION     |
| T5480      | PRESS GANEY ASSOCIATES LLC             | 46,002.00    | 2023 ECM & PROVIDER SATISFACTION SURVEYS                       | VARIOUS            |
| T2509      | USPS                                   | 45,392.96    | PERMIT #88 SUMMER ISSUE FAMILY HEALTH MAGAZINE POSTAGE FUNDING | HEALTH EDUCATION   |
| T2869      | COMMUNITY ACTION PARTNERSHIP OF KERN   | 45,000.00    | 2023 COMMUNITY GRANT   | COMMUNITY GRANTS   |
| T5645      | RIDGECREST REGIONAL HOSPITAL           | 45,000.00    | PROVIDER QUALITY CARE GRANT PROGRAM                            | COMMUNITY GRANTS   |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                              | Year-to-Date | Description                               | Department           |
|------------|--|--------------|---|----------------------|
| T2641      | MARANATHA GARDENING & LANDSCAPING, INC   | 43,677.50    | 2023 BUILDING MAINTENANCE                 | CORPORATE SERVICE    |
| T5408      | MARY HARRIS                              | 43,120.00    | PROFESSIONAL SERVICES                     | HEALTH SERVICES - UM |
| T4182      | THE LAMAR COMPANIES                      | 43,066.10    | OUTDOOR ADVERTISEMENT - BILLBOARDS        | ADVERTISING          |
| T5109      | RAND EMPLOYMENT SOLUTIONS                | 42,726.29    | TEMPORARY HELP                            | VARIOUS              |
| T5107      | CITRIX SYSTEMS, INC                      | 42,619.20    | CITRIX LICENSE RENEWAL                    | MIS INFRASTRUCTURE   |
| T2441      | LAURA J BREZINSKI                        | 42,500.00    | MARKETING MATERIALS                       | MARKETING            |
| T4605      | KERVILLE UNION SCHOOL DISTRICT ****      | 42,000.00    | SCHOOL WELLNESS GRANT                     | COMMUNITY GRANTS     |
| T5687      | IRISE EXECUTIVE COACHING LLC             | 42,000.00    | EXECUTIVE RETREAT                         | ADMINISTRATION       |
| T2580      | GOLDEN EMPIRE TRANSIT DISTRICT           | 40,900.00    | OUTDOOR ADVERTISEMENT - BUSES             | ADVERTISING          |
| T5535      | PANAMA-BUENA VISTA UNION SCHOOL DISTRICT | 40,000.00    | SCHOOL WELLNESS GRANT                     | COMMUNITY GRANTS     |
| T5367      | ADVENTIST HEALTH DELANO                  | 39,910.73    | PROVIDER GRANT PROGRAM                    | COMMUNITY GRANT      |
| T5467      | MOSS ADAMS LLP                           | 37,597.00    | 2023 CLAIMS AUDIT TOOL SUPPORT & LICENSES | MIS INFRASTRUCTURE   |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                              | Year-to-Date | Description   | Department                  |
|------------|--|--------------|---|-----------------------------|
| T2851      | SINCLAIR TELEVISION OF BAKERSFIELD, LLC  | 36,830.00    | ADVERTISEMENT - MEDIA   | MARKETING                   |
| T5435      | TEGRIA SERVICES GROUP - US, INC          | 36,500.00    | PROFESSIONAL SERVICES   | HEALTH SERVICES - UM        |
| T1694      | KERN COUNTY FAIR                         | 35,625.00    | 2023 FAIR SIGNAGE, EMPLOYEE TICKETS & PARKING                                 | HUMAN RESOURCES & MARKETING |
| T4059      | KERN VALLEY HEALTHCARE DISTRICT          | 35,327.26    | PROVIDER GRANT PROGRAM  | COMMUNITY GRANT             |
| T1347      | ADVANCED DATA STORAGE                    | 35,132.47    | STORAGE AND SHREDDING SERVICES  | CORPORATE SERVICES          |
| T2578      | AMERICAN HEART ASSOCIATION - KERN COUNTY | 35,000.00    | SPONSORSHIP   | MEDIA & ADVERTISING         |
| T1097      | NCQA                                     | 34,502.56    | HEDIS, VOL 2 PLUS QUALITY COMPASS AND POPULATION HEALTH PROGRAM ACCREDITATION | HEALTH SERVICES - QI        |
| T2921      | DOUBLETREE BY HILTON BAKERSFIELD         | 34,303.43    | PROVIDER FORUM EDUCATIONAL EVENT  | PROVIDER NETWORK MANAGEMENT |
| T4993      | LEGALSHIELD                              | 33,471.40    | EMPLOYEE PAID VOLUNTARY COVERAGE  | PAYROLL DEDUCTION           |
| T5696      | ASA GLOBAL HEALTHCARE SERVICES PC        | 31,000.00    | PROFESSIONAL SERVICES   | UTILIZATION MANAGEMENT-UM   |
| T5568      | MICHELLE OXFORD                          | 30,910.89    | CONSULTING SERVICES   | EXECUTIVE                   |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                                  | Year-to-Date | Description  | Department         |
|------------|--|--------------|--|--------------------|
| T5574      | CARMAX AUTO SUPERSTORES, INC                 | 30,451.85    | COMPANY VEHICLE  | CORPORATE SERVICES |
| T5012      | KERN MEDICAL CENTER FOUNDATION               | 30,000.00    | VALLEY FEVER WALK SPONSOSHIP                           | MARKETING          |
| T4230      | COFFEE BREAK SERVICE, INC.                   | 29,946.00    | COFFEE SUPPLIES  | CORPORATE SERVICES |
| T5805      | MAGNOLIA OPTIMA LLC ****                     | 29,470.48    | CONSULTING SERVICES                                    | HUMAN RESOURCES    |
| T5781      | SCHELLMAN COMPLIANCE LLC ****                | 29,100.00    | SECURITY ASSESSMENT SERVICES                           | CAPITAL            |
| T4554      | THE KEN BLANCHARD COMPANIES                  | 28,845.93    | LEADERSHIP TRAINING COURSES                            | HUMAN RESOURCES    |
| T1007      | FEDERAL EXPRESS CORP.                        | 28,770.95    | DELIVERY SERVICES                                      | VARIOUS            |
| T4982      | NGC US, LLC                                  | 28,550.00    | PREFUND MEMBER INCENTIVES - COVID 19 INCENTIVE PROGRAM | VARIOUS            |
| T5741      | HEALTHWISE, INCORPORATED                     | 28,402.23    | MEMBER SELF MANAGEMENT TOOLS                           | HEALTH EDUCATION   |
| T4228      | THE SSI GROUP, LLC                           | 28,111.20    | 2023 EDI CLAIM PROCESSING                              | CLAIMS             |
| T5494      | LDP ASSOCIATES, INC                          | 27,300.00    | 2023/2024 DISASTER RECOVERY & PC COOLING MAINT.        | VARIOUS            |
| T5395      | LIVONGO HEALTH, INC                          | 27,258.00    | EMPLOYEE HMO HEALTH BENEFITS PREMIUM                   | VARIOUS            |
| T5653      | SUN OUTDOOR ADVERTISING LLC                  | 26,935.00    | OUTDOOR ADVERTISEMENT - BILLBOARDS                     | ADVERTISING        |
| T5300      | CENTRAL VALLEY OCCUPATION MEDICAL GROUP, INC | 26,780.00    | COVID-19 TESTING                                       | HUMAN RESOURCES    |

# KERN·HEALTH SYSTEMS

## Year to Date AP Vendor Report

Amounts over \$20,000.00

| Vendor No. | Vendor Name  | Year-to-Date | Description                                     | Department                  |
|------------|--|--------------|---|-----------------------------|
| T4424      | GUROCK SOFTWARE GmbH   | 26,565.97    | TESTRAIL SOFTWARE RENEWAL                       | MIS INFRASTRUCTURE          |
| T5578      | KIMBERY A MARTIN   | 25,665.50    | PROFESSIONAL SERVICES                           | UTILIZATION MANAGEMENT-UM   |
| T4375      | EQUIFAX WORKFORCE SOLUTIONS, LLC                             | 25,527.47    | EMPLOYEE RECRUITMENT                            | HUMAN RESOURCES             |
| T1655      | KERN,KKXX,KISV,KGEO,KGFM,KEBT,KZOZ,KKJG,KVEC,KSTT ,KRQK,KPAT | 25,170.00    | RADIO ADVERTISING                               | MARKETING                   |
| T4731      | GO TO TECHNOLOGY CONSULTING, LLC                             | 25,062.00    | INTERNET SERVICES                               | MIS INFRASTRUCTURE          |
| T5260      | HD DYNAMICS SOFTWARE SOLUTIONS, CORP ****                    | 24,875.00    | CONSULTING FEES                                 | PROVIDER NETWORK MANAGEMENT |
| T5420      | PAYPRO ADMINISTRATORS  | 24,524.80    | FSA EMPLOYEE BENEFIT                            | VARIOUS                     |
| T4611      | LAMONT SCHOOL DISTRICT ****                                  | 24,000.00    | SCHOOL WELLNESS GRANT                           | COMMUNITY GRANTS            |
| T5530      | JONES LANG LASALLE AMERICAS, INC                             | 23,960.00    | CUBICLE SCHEDULING APP IMPLEMENTATION & TRAIING | CORPORATE SERVICES          |
| T4249      | LOTUS BAKERSFIELD CORP ****                                  | 23,750.00    | RADIO ADVERTISING                               | MARKETING                   |
| T2787      | SAGE SOFTWARE, INC   | 23,561.11    | SAGE 300 CLOUD SOFTWARE RENEWAL                 | FINANCE                     |

# KERN·HEALTH SYSTEMS

**Year to Date AP Vendor Report**

**Amounts over \$20,000.00**

| Vendor No. | Vendor Name                                     | Year-to-Date            | Description   | Department                |
|------------|---|-------------------------|---|---------------------------|
| T5652      | RACHAEL L HOBBS                                 | 23,450.00               | PROFESSIONAL SERVICES                                     | UTILIZATION MANAGEMENT-UM |
| T5317      | PRESIDIO NETWORKED SOLUTIONS GROUP LLC          | 23,125.00               | NUTANIX HARDWARE & SOFTWARE - SECURITY PROGRAM ASSESSMENT | MIS INFRASTRUCTURE        |
| T4523      | BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA     | 22,272.85               | EMPLOYEE PREMIUM  | PAYROLL DEDUCTION         |
| T4417      | KAISER FOUNDATION HEALTH PLAN - OR ****         | 21,985.30               | EMPLOYEE HMO HEALTH BENEFITS PREMIUM                      | VARIOUS                   |
| T5669      | THE OPEN DOOR NETWORK                           | 21,418.00               | 2023 SPONSORSHIPS & COMMUNITY GRANT                       | MARKETING                 |
| T5711      | CALABRIO, INC.                                  | 20,159.50               | TELEOPTI WFM LICENSES                                     | MIS INFRASTRUCTURE        |
| T5585      | LIFETIME FITNESS INC ****                       | 20,150.00               | LIVE BETTER PROGRAM BUTTOWILLOW & DELANO                  | HEALTH EDUCATION          |
| T4195      | SCRIPPS MEDIA, INC. DBA KERO-TV ****            | 20,015.00               | ADVERTISEMENT - MEDIA                                     | MARKETING                 |
| T4476      | KERN PARTNERSHIP FOR CHILDREN AND FAMILIES **** | 20,000.00               | SPONSORSHIP & COMMUNITY GRANT                             | MEDIA & ADVERTISING       |
|            |   | <u>49,906,362.67</u>    |   |                           |
|            | TOTAL VENDORS OVER \$20,000                     | 49,906,362.67           |   |                           |
|            | TOTAL VENDORS UNDER \$20,000                    | 2,176,120.37            |   |                           |
|            | TOTAL VENDOR EXPENSES- OCTOBER                  | <u>\$ 52,082,483.04</u> |   |                           |

Note:

\*\*\*\*New vendors over \$20,000 for the month of October

| Vendor Name                 | Contract Amount | Budgeted | Department | Department Head   | Services that this vendor will provide to KHS                     | Effective Date | Termination Date |
|-----------------------------|-----------------|----------|------------|-------------------|---|----------------|------------------|
| <b>January</b>              |                 |          |            |                   |   |                |                  |
| Jacquelyn S. Jans           | \$135,840.00    | Yes      | MRK        | Louie Iturriria   | Marketing & Corporate Image Consulting                            | 1/2/2023       | 12/31/2024       |
| HD Dynamics                 | \$50,000.00     | Yes      | PNM        | Amisha Pannu      | Consulting services for Microsoft Dynamics CRM                    | 1/2/2023       | 12/31/2023       |
| Rest and Reassure, LLC      | \$144,000.00    | Yes      | PHM        | Deb Murr          | Consulting services for Cal-Aim & PHM dept requirements           | 1/2/2023       | 12/31/2023       |
| BG Healthcare               | \$189,000.00    | Yes      | PHM        | Deb Murr          | Consulting services   | 1/2/2023       | 12/23/2022       |
| SHI                         | \$51,094.74     | Yes      | IT         | Richard Pruitt    | VMWare renewal  | 1/1/2023       | 12/31/2023       |
| Catalyst                    | \$199,999.00    | Yes      | Exec       | Michelle Oxford   | D-SNP and related Medicare health plan resource                   | 1/30/2023      | 6/2/2023         |
| Jennifer Clancy             | \$49,500.00     | Yes      | BH         | Deb Murr          | Behavioral Health Department Development                          | 1/30/2023      | 5/30/2023        |
| Lamar                       | \$69,115.56     | Yes      | MRK        | Louie Iturriria   | (6) Billboards for advertising                                    | 1/23/2023      | 6/30/2024        |
| Cotiviti                    | \$175,000.00    | Yes      | QI         | Jane Daughenbaugh | Medical record retrieval services                                 | 1/27/2023      | 5/31/2023        |
| <b>February</b>             |                 |          |            |                   |   |                |                  |
| Gartner                     | \$117,060.00    | Yes      | IT         | Richard Pruitt    | Executive Programs Member license for CIO                         | 2/1/2023       | 1/31/2024        |
| Language Line               | \$75,000.00     | Yes      | HE         | Isabel Silva      | Interpreting services   | 2/28/2023      | 2/27/2024        |
| Coffey Communications       | \$120,000.00    | Yes      | HE         | Isabel Silva      | Printing agreement  | 2/15/2023      | 2/14/2024        |
| Lifesigns                   | \$80,000.00     | Yes      | HE         | Isabel Silva      | ASL interpreting services   | 2/23/2023      | 2/22/2025        |
| Entisys360                  | \$69,201.68     | Yes      | IT         | Richard Pruitt    | Nutanix Prod APP storage expansion                                | 2/8/2023       | 2/7/2024         |
| <b>March</b>                |                 |          |            |                   |   |                |                  |
| GET Bus                     | \$72,900.00     | Yes      | MRK        | Louie Iturriria   | Four (4) King Kong outdoor advertisements                         | 3/1/2023       | 6/30/2024        |
| Dell                        | \$79,746.97     | Yes      | IT         | Richard Pruitt    | Laptops (25), docking stations (50), & monitors (100)             | 3/6/2023       | 3/6/2027         |
| The Granger Network         | \$110,000.00    | Yes      | HR         | Anita Martin      | Supervisor Bootcamp   | 3/31/2023      | 6/31/23          |
| <b>April</b>                |                 |          |            |                   |   |                |                  |
| Advanced Medical Reviews (A | \$182,000.00    | Yes      | UM         | Misty Dominguez   | Peer to Peer Medical Reviews                                      | 4/1/2023       | 3/31/2025        |
| <b>May</b>                  |                 |          |            |                   |   |                |                  |
| IntelAagree                 | \$129,675.00    | Yes      | CS         | Andrea Hylton     | Contracting Management Software                                   | 5/24/2023      | 5/23/2026        |
| CDW-G                       | \$98,501.35     | Yes      | IT         | Richard Pruitt    | Nutanix Xi Leap renewal   | 5/27/2023      | 5/26/2024        |
| Dell                        | \$84,751.00     | Yes      | IT         | Richard Pruitt    | Microsoft Unified Support Services                                | 5/10/2023      | 5/9/2024         |
| Tel-Tec                     | \$197,196.01    | Yes      | IT         | Richard Pruitt    | Camera surveillance system phase 1                                | 5/24/2023      | 10/31/2023       |
| <b>June</b>                 |                 |          |            |                   |   |                |                  |
| HMA                         | \$99,000.00     | Yes      | ACCT       | Veronica Barker   | Actuarial services (RDT, DSR's & Rate Analysis)                   | 6/1/2023       | 5/31/2024        |
| Milliman                    | \$199,000.00    | Yes      | ACCT       | Veronica Barker   | Actuarial services (D-SNP, Category of services, & Gap Analysis)  | 6/1/2023       | 5/31/2024        |
| TWE Solutions               | \$96,900.00     | Yes      | IT         | Richard Pruitt    | 24x7 Security Monitoring Services                                 | 6/14/2023      | 6/13/2024        |
| Relay Network               | \$199,999.00    | Yes      | IT         | Richard Pruitt    | Mobile Communication Platform; Unlimited Texting                  | 6/1/2023       | 5/31/2024        |
| Healthwise                  | \$113,609.00    | Yes      | HE         | Isabel Silva      | Interactive self-management tools and patient education materials | 6/5/2023       | 6/4/2024         |
| The Granger Network         | \$198,500.00    | Yes      | HR         | Anita Martin      | Leadership Development: Creating the Next Era                     | 6/7/2023       | 11/30/2023       |
| Context4 Healthcare         | \$86,083.12     | Yes      | IT         | Richard Pruitt    | RCD-10, HCPCS, and CPT codes through American Medical Association | 6/27/2023      | 6/26/2024        |
| Bitfocus                    | \$168,704.94    | Yes      | MIS        | Richard Pruitt    | Clarity Human Services SaaS & professional services               | 6/22/2023      | 6/21/2024        |
| LinkedIn                    | \$55,890.00     | Yes      | HR         | Anita Martin      | Online job postings (5 slots)                                     | 6/1/2023       | 5/31/2026        |
| <b>July</b>                 |                 |          |            |                   |   |                |                  |
| Agility Recovery            | \$192,600.00    | Yes      | CS         | Andrea Hylton     | Disaster Recovery & Business Continuity services                  | 7/6/2023       | 7/5/2026         |
| The Granger Network         | \$144,000.00    | Yes      | HR         | Anita Martin      | Executive Coaching services                                       | 7/6/2023       | 7/5/2024         |
| BG Healthcare Consulting    | \$81,000.00     | Yes      | QI         | Martha Tasinga    | Consulting services for the QI department                         | 7/12/2023      | 12/31/2023       |
| Solution Bench              | \$76,461.55     | Yes      | IT         | Richard Pruitt    | M-Files subscription based licenses, annual renewal               | 7/24/2023      | 7/23/2024        |

| Vendor Name          | Contract Amount | Budgeted | Department    | Department Head | Services that this vendor will provide to KHS                   | Effective Date | Termination Date |
|----------------------|-----------------|----------|---------------|-----------------|---|----------------|------------------|
| <b>August</b>        |                 |          |               |                 |   |                |                  |
| Octopai              | \$148,992.00    | Yes      | IT            | Richard Pruitt  | Data Lineage Software   | 8/12/2023      | 8/11/2025        |
| Schellman            | \$161,834.80    | Yes      | IT            | Richard Pruitt  | Cyber Security Assessment Services                              | 8/21/2023      | 8/20/2024        |
| <b>September</b>     |                 |          |               |                 |   |                |                  |
| CCS                  | \$199,552.20    | Yes      | CS            | Andrea Hylton   | Janitorial Services   | 9/6/2023       | 9/5/2024         |
| The Periscope Group  | \$142,025.00    | Yes      | UM            | Misty Dominguez | In-home assessment Member visits                                | 9/5/2023       | 9/4/2024         |
| TEKSystems           | \$70,400.00     | Yes      | UM            | Josh Hosch      | Business Analyst for the Health Services Dept.                  | 9/11/2023      | 12/31/2023       |
| Dell                 | \$195,504.60    | Yes      | IT            | Richard Pruitt  | Microsoft Dynamic licenses                                      | 9/21/2023      | 12/31/2024       |
| CEI                  | \$56,280.00     | Yes      | IT            | Richard Pruitt  | Professional Technical Resource (Business Analyst)              | 9/25/2023      | 12/31/2023       |
| <b>October</b>       |                 |          |               |                 |   |                |                  |
| ABM                  | \$111,406.00    | Yes      | CS            | Andrea Hylton   | High Production Printing System                                 | 10/2/2023      | 10/1/2024        |
| ABM                  | \$110,934.00    | Yes      | IT            | Richard Pruitt  | Annual support and maintenance for all printing equipment       | 10/1/2023      | 9/30/2025        |
| Secure-Centric, Inc. | \$135,893.01    | Yes      | IT            | Richard Pruitt  | Two (2) Rubrik r6412 appliances, EE - 36 months                 | 10/26/2023     | 10/25/2026       |
| Secure-Centric, Inc. | \$199,785.60    | Yes      | IT            | Richard Pruitt  | Rubrik Software (1 of 2) appliance                              | 10/26/2023     | 10/25/2026       |
| Secure-Centric, Inc. | \$199,785.60    | Yes      | IT            | Richard Pruitt  | Rubrik Software (2 of 2) appliance                              | 10/26/2023     | 10/25/2026       |
| Inclusive Insights   | \$50,000.00     | Yes      | Health Equity | Traco Matthews  | Health Equity Program (Training and Media)                      | 10/11/2023     | 12/31/2023       |
| Gartner              | \$61,320.00     | Yes      | Compliance    | Deb Murr        | Two (2) Gartner for legal, risk and compliance leaders licenses | 10/1/2023      | 9/30/2024        |
| JMP                  | \$183,040.00    | Yes      | CS            | Andrea Hylton   | Mail Insert & Processing System                                 | 10/9/2023      | 10/8/2024        |
| Dell                 | \$91,967.22     | Yes      | IT            | Richard Pruitt  | (44) Dell 5540 Latitudes Laptops & (22) Dell Monitors           | 10/31/2023     | 10/30/2027       |



| 2023 TECHNOLOGY CONSULTING RESOURCES |                                    |               |                     |                  |                  |                    |                    |                    |                    |                    |                    |                    |            |            |            |                    |                    |                   |
|--------------------------------------|------------------------------------|---------------|---------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------|------------|------------|--------------------|--------------------|-------------------|
| ITEM                                 | PROJECT                            | CAP/EXP       | BUDGET              | JAN              | FEB              | MAR                | APR                | MAY                | JUN                | JUL                | AUG                | SEPT               | OCT        | NOV        | DEC        | YTD                | TOTAL              | REMAINING BALANCE |
| 1                                    | Member Engagement                  | CAP           | \$158,500           | \$23,832         | \$22,640         | \$26,215           | \$23,832           | \$26,215           | \$26,215           | \$0                | \$0                | \$0                |            |            |            |                    | \$148,949          | \$9,551           |
| 2                                    | DSNP MCAS Star Software            | CAP           | \$158,500           | \$0              | \$0              | \$0                | \$0                | \$0                | \$0                | \$17,476           | \$21,602           | \$18,447           |            |            |            |                    | \$57,525           | \$100,975         |
| 3                                    | Population Health Management       | CAP           | \$301,000           | \$34,348         | \$32,436         | \$38,231           | \$36,047           | \$40,719           | \$39,839           | \$41,432           | \$27,407           | \$23,832           |            |            |            |                    | \$314,291          | (\$13,291)        |
| 4                                    | DSNP JIVA Medicare Module          | CAP           | \$81,750            | \$0              | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |            |            |            |                    | \$0                | \$81,750          |
| 5                                    | Data Lineage and Cataloging System | CAP           | \$91,012            | \$0              | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                | \$18,480           | \$17,600           |            |            |            |                    | \$36,080           | \$54,932          |
| 6                                    | IT Staff Augmentation              | EXP           | \$7,365,693         | \$549,087        | \$472,083        | \$607,699          | \$248,118          | \$570,405          | \$545,734          | \$469,708          | \$545,286          | \$432,175          |            |            |            |                    | \$4,440,295        | \$2,925,398       |
| 7                                    | PM Staff Augmentation              | EXP           | \$1,185,600         | \$17,940         | \$91,885         | \$142,020          | \$391,554          | \$157,653          | \$147,951          | \$134,758          | \$133,185          | \$171,713          |            |            |            |                    | \$1,388,659        | (\$203,059)       |
| 8                                    | DSNP Staff Augmentation            | EXP           | \$6,515,185         | \$81,624         | \$309,241        | \$386,281          | \$412,738          | \$221,676          | \$587,520          | \$438,419          | \$445,508          | \$423,600          |            |            |            |                    | \$3,306,606        | \$3,208,579       |
| <b>Totals:</b>                       |                                    | <b>Totals</b> | <b>\$15,857,240</b> | <b>\$706,831</b> | <b>\$928,285</b> | <b>\$1,200,446</b> | <b>\$1,112,289</b> | <b>\$1,016,668</b> | <b>\$1,347,258</b> | <b>\$1,101,793</b> | <b>\$1,191,467</b> | <b>\$1,087,367</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$9,692,404</b> | <b>\$6,164,836</b> |                   |

Updated 11/19/23



**KERN HEALTH SYSTEMS  
BOARD OF DIRECTORS  
NEW VENDOR CONTRACTS  
December 14, 2023**

| <b>Legal Name<br/>DBA</b>  | <b>Specialty</b>                   | <b>Address</b>                                  | <b>Comments</b>                       | <b>Contract<br/>Effective<br/>Date</b>  |
|--|------------------------------------|---|---------------------------------------|---|
| <b>PAC 11/01/2023</b>  |                                    |   |                                       |   |
| Hollywood Eye Associates   | Ophthalmology                      | 3801 San Dimas Bldg A<br>Bakersfield CA         | Existing Provider:<br>Amr Kouchouk MD | 12/1/2023                               |
| Family Planning and Associates<br>Medical Group Inc.<br>dba: FPA Womens Health | Family Planning                    | 2500 H Street<br>Bakersfield CA                 |                                       | 12/1/2023                               |
| Heavenly Hospice Care, Inc.  | Hospice                            | 514 Commerce Ave Ste G<br>Palmdale CA           |                                       | 12/1/2023                               |
| Independent Living Systems LLC   | Enhanced Care / Case<br>Management | 500 North Brand Suite 675<br>Glendale CA        |                                       | 12/1/2023                               |
| Pathway Family Services  | Enhanced Care / Case<br>Management | 2600 G Street<br>Bakersfield CA                 |                                       | 12/1/2023                               |
| Universal Healthcare MSO LLC   | Enhanced Care / Case<br>Management | 5500 Ming Avenue Ste. 170<br>Bakersfield CA     |                                       | 12/1/2023                               |
| Yummy Mummy LLC  | DME                                | 1751 2nd Avenue Ste. 203<br>New York NY         |                                       | 12/1/2023                               |
| JSI Acquisitions Inc<br>dba: Libertana   | Enhanced Care / Case<br>Management | 5805 Sepulveda Blvd Ste. 605<br>Sherman Oaks CA |                                       | 12/1/2023                               |
| <b>PAC 12/06/2023</b>  |                                    |   |                                       |   |
| Toby D. Janowitz<br>dba: Antelope Valley Orthotics &<br>Prosthetics (AVOP)     | Orthotics &<br>Prosthetics         | 525 Commerce Ave Suite B<br>Palmdale CA         |                                       | 1/1/2024                                |
| Manchester Medical Group PC  | Hospitalist/IM                     | 6222 W Manchester Ave Ste.<br>A Los Angeles CA  | Banafshe, Paymon<br>MD                | 1/1/2024                                |
| CityServe Network  | CSS / Housing<br>Services          | 3201 F Street<br>Bakersfield CA                 | *City Serve Contract                  | 1/1/2024                                |
| CityServe Network<br>dba: CityServe Network at The<br>Mission of Kern County   | CSS / Sobering Center<br>(Men)     | 816 East 21st Street<br>Bakersfield CA          | *City Serve Contract                  | 1/1/2024                                |
| CityServe Network at Keepers of the<br>Cross                                   | CSS / Sobering Center<br>(Women)   | 125 N. Chester Ave.<br>Bakersfield CA           | *City Serve Contract                  | 1/1/2024                                |
| Dignity Health<br>dba: Mercy Hospital Bakersfield                              | CSS / Asthma<br>Remediation        | 2215 Truxtun Avenue<br>Bakersfield CA           |                                       | 1/1/2024                                |
| Gomez Knupp, Joanne<br>dba: Peaceful Passages Birthing<br>Support Center       | Doula                              | 2573 E. Perrin Ave Ste.103<br>Fresno CA         |                                       | 1/1/2024                                |
| Grow Healthcare Group PC   | Mental Health                      | 4900 California Ave, Ste. B<br>Bakersfield CA   | AB2581-60-day<br>Turnaround           | <b>Retro<br/>Approval<br/>12/1/2023</b> |

**KERN HEALTH SYSTEMS  
BOARD OF DIRECTORS  
NEW VENDOR CONTRACTS  
December 14, 2023**

| Legal Name<br>DBA   | Specialty                              | Address                                   | Comments   | Contract<br>Effective<br>Date       |
|---|--|---|--|-------------------------------------|
| Jigsaw Diagnostics, a Professional Psychology Corporation             | ABA Evaluations Only                   | 2131 Ashton Ave<br>Menlo Park CA          | AB2581 60-day Turnaround<br>ABA Evaluations only / Telehealth Only<br>No Mental Health | <b>Retro Approval<br/>12/1/2023</b> |
| Jonathan Rizo<br>dba: Rizo Psychological & Behavioral Health Services | ABA                                    | 930 Truxtun Ave Ste 206<br>Bakersfield CA | Existing Provider<br>Change in Tax ID Number   | 1/1/2024                            |
| Marlena Tanner RDN LLC<br>dba: The Yellow House Project               | Registered Dietician                   | 2598 Main Street<br>Morro Bay CA          |  | 1/1/2024                            |
| Novocure Inc  | DME / Cancer Treatment Assisted device | 195 Commerce Way<br>Portsmouth NH         |  | 1/1/2024                            |
| Redwood Bakersfield LLC<br>dba: Redwood Senior Living Bakersfield     | SNF/Congregate Living Facility         | 810 S Union Avenue<br>Bakersfield CA      |  | 1/1/2024                            |
| Roots Food Group Management   | CSS / Medically Tailored Meals         | 1105 E Levee Street<br>Dallas TX          |  | 1/1/2024                            |
| St. Vincent Preventative Family Care                                  | CSS / Housing Services                 | 1221 W 3rd Street<br>Los Angeles CA       |  | 1/1/2024                            |
| Stephens, Amelda<br>dba: New Beginnings Doula                         | Doula                                  | 2825 Lady Fern Lane<br>Bakersfield CA     |  | 1/1/2024                            |
| T&J Unlimited Transportation Inc                                      | Transportation                         | 840 West Avenue J<br>Lancaster CA         |  | 1/1/2024                            |

**KERN HEALTH SYSTEMS  
BOARD OF DIRECTORS  
TERMED CONTRACTS  
December 14, 2023**

| <b>Legal Name<br/>DBA</b>                               | <b>Specialty</b>  | <b>Address</b>                                | <b>Comments</b>       | <b>Term<br/>Effective<br/>Date</b> |
|---|-------------------|---|-----------------------|------------------------------------|
| Siniva Kaneen MD  | OB/GYN            | 8501 Brimhall Road Ste. 300<br>Bakersfield CA | Voluntary Resignation | 9/13/2023                          |
| Pankaj Shukla, MD Inc                                   | Internal Medicine | 9900 Stockdale Hwy Ste. 107<br>Bakersfield CA | New Contract TIN      | 10/31/2023                         |
| Cherilyn Renee Haworth<br>dba: Mosaic Counseling Center | Mental Health     | 1430 Truxtun Avenue 5th Fl<br>Bakersfield CA  | Voluntary Resignation | 11/30/2023                         |






---

**MEMORANDUM**

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Martha Tasinga, MD, MPH, MBA  
**SUBJECT:** REVISED POLICY AND PROCEDURE – 4.01-P Credentialing  
**DATE:** December 14, 2023

---

**Background**

Additional modifications to KHS policy PNM 4.01-P Credentialing Program Policy and Procedure as a result of NCQA preparations. The enclosed document (red-lined) shows the modifications of this policy and specific changes pertaining to the following sections:

| <b>Policy Section</b>  | <b>Policy Changes</b>   |
|--|---|
| 4.01 Credentialing<br>Non-Discriminatory Credentialing of Providers Page 3     | <ul style="list-style-type: none"> <li>Description of monitoring process has been added to this section to identify any trends of discrimination in the credentialing or recredentialing process. (Reference NCQA CR1-A Factor 6)</li> </ul>  |
| 4.01 Credentialing<br>Section 2.0 Application Review                           | <ul style="list-style-type: none"> <li>Added the acceptable verification sources used to conduct verification of primary source information. (Reference NCQA CR1-A Factor 2)</li> </ul>   |
| 4.01 Credentialing<br>Section 2.3 Area of Practice                             | <ul style="list-style-type: none"> <li>Additional modifications as recommended by NCQA TMG Consultants to comply with listing provider directory information. (Reference NCQA CR1-A Factor 11)</li> </ul>   |
| 4.01 Credentialing<br>Section 2.4 Practitioner Rights                          | <ul style="list-style-type: none"> <li>Additional modifications as recommended by NCQA TMG Consultants to comply with practitioner rights standards and Addendum A “Practitioner Rights” (Reference NCQA CR1-B Factor 1-3)</li> </ul>   |
| 4.01 Credentialing<br>Section 2.8 Provisional Approval/<br>Clean File Approval | <ul style="list-style-type: none"> <li>Additional modifications as recommended by NCQA TMG Consultants to comply with managing files that meet clean file criteria can be designated to the medical director or equally qualified practitioner (Reference NCQA CR1-A Factor 5 &amp; CR 2-A Factor 3 Assessment of Timeliness NCQA considers practitioners credentialed as of the Credentialing Committee date or medical directors decision date.)</li> </ul> |

| <b>Policy Section</b>  | <b>Policy Changes</b>   |
|--|---|
| 4.01 Credentialing<br>Section 2.9 Locum Tenens                               | <ul style="list-style-type: none"> <li>• Added “C” 14-Calendar days retro-effective date as requested by Claims as to avoid penalties paid on claims outside the required timeframes.</li> </ul>  |
| 4.01 Credentialing<br>Section 2.13 Notification of Adverse Decisions         | <ul style="list-style-type: none"> <li>• Added “2.13” regarding KHS will notify provider of adverse decisions in the recredentialing process within 60- days from the date of PAC’s credentialing decision.</li> </ul>                                      |
| 4.01 Credentialing<br>Section 7.3 Assessment of Organizational Providers     | <ul style="list-style-type: none"> <li>• Added KHS will conduct an initial and ongoing assessment of the providers with which we contract. (Reference NCQA CR 7-D Assessing Medical Providers &amp; E-Assessing Behavioral Healthcare Providers)</li> </ul> |
| 4.01 Credentialing<br>Attachment A –Provider Specific Credentialing Criteria | <ul style="list-style-type: none"> <li>• Added NPDB Continuous Query Reports</li> <li>• Professional Liability insurance certificates must include the provider’s name or attach group roster of covered providers under that policy.</li> </ul>            |

**Requested Action**

Approve policy revisions to the 4.01-P PNM Credentialing Program Policy and Procedure.





|   |  |      |  |                   |  |
|---|--|------|--|-------------------|--|
| <b>KERN HEALTH SYSTEMS</b>              |  |      |  |                   |  |
| <b>POLICY AND PROCEDURES</b>            |  |      |  |                   |  |
| SUBJECT: Credentialing Program          |  |      |  | POLICY #: 4.01-P  |  |
| DEPARTMENT: Provider Network Management |  |      |  |                   |  |
| Effective Date:<br><br>01/1997          | Review/Revised Date:<br><br><u>12/2023</u> | DMHC |  | PAC               |  |
|   |  | DHCS |  | QI/UM COMMITTEE   |  |
|   |  | BOD  |  | FINANCE COMMITTEE |  |

\_\_\_\_\_  
Emily Duran  
Chief Executive Officer  
Date \_\_\_\_\_

\_\_\_\_\_  
Chief Medical Officer  
Date \_\_\_\_\_

\_\_\_\_\_  
Chief Operating Officer  
Date \_\_\_\_\_

\_\_\_\_\_  
Senior Director of Provider Network  
Date \_\_\_\_\_

**POLICY:**

Kern Health Systems (“KHS”) members are entitled to quality health care. It is the policy of KHS that every reasonable effort is made to verify health care providers with whom KHS contracts meet the basic standards of training, certification, and performance. Credentialing and recredentialing requirements are applicable to all licensed practitioners, non-physician practitioners, ancillary and facility providers contracted with KHS (collectively referred to herein as “provider(s)”). A contracted provider must be credentialed with KHS in order to treat KHS members.

**PROCEDURES:**

Credentialing is defined as the recognition of professional or technical competence. The process involved may include registration, certification, licensure, and professional association membership. It is the process by which health care providers are evaluated and approved for provider status as contractors and subcontractors in the KHS network. The credentialing program has been developed in accordance with state and federal requirements, accreditation guidelines and comply with the

Department of Managed Health Care (“DMHC”) and the Department of Health Care Services (“DHCS”) requirements, including DHCS All Plan Letter (“APL”) 22-013 and subsequent updates to this APL, if any. KHS meets all DMHC and DHCS requirements, and has established credentialing criteria, including the verification sources used, based on state, federal and current accreditation guidelines from the National Committee for Quality Assurance (“NCQA”) credentialing standards.

### **SCOPE OF PROVIDERS COVERED BY CREDENTIALING**

All contracted practitioners and facility providers (Hospitals, SNF, Surgery Centers, Home Health Agencies, Hospices, Dialysis Centers, Urgent Care Centers), including ancillary providers participating in the KHS network and who are published in the provider health plan directory must be credentialed. This includes, but is not limited to, MDs, DOs, DPMs, DCs and doctoral level Psychologists (PhD, PsyD). Non-physician practitioners, including behavioral health providers (MFTs, LCSWs, and Behavioral Analyst) and substance use disorder providers, Optometrists, Nurse Practitioners, Certified Nurse Midwives, and Physician Assistants who are certified or registered by the state to practice independently (with or without supervision), will also be credentialed. KHS will credential and recredential:

1. All providers who have a contracted, independent relationship with KHS.
2. All providers who see KHS members outside the inpatient hospital setting.
3. All providers who see KHS members in outpatient ambulatory free-standing facilities.
4. All physician executives who serve in an administrative capacity for KHS.
5. All providers who are hospital based but render services or care to KHS members as a result of their independent relationship with KHS. Examples include: an anesthesiologist who is contracted to provide pain management to KHS members in an outpatient setting.
6. All providers who practice as a hospitalist or SNFist.
7. All providers who provide telemedicine consults interacting with members.
8. All non-physician practitioners who may or may not have an independent relationship with KHS.
9. All behavioral health care providers such as doctoral or master’s-level psychologists, clinical social workers, psychiatric nurses, or other behavioral health care specialists who are licensed, certified, or registered by the state to practice independently.
10. All ancillary, pharmacies and organization providers who have a contract with KHS.

### **PROVIDERS WHO DO NOT NEED TO BE CREDENTIALLED**

Providers who practice exclusively within the inpatient setting (hospital-based) who provide care for KHS members only as a result of the members being directed to the hospital or another inpatient setting and do not meet the definition of a “Network Provider” as defined by DHCS APL 19-001 and any subsequent updates. Examples include: Pathologists, Radiologists, Anesthesiologists, Neonatologists, Emergency Department Physicians, and Resident Physicians in a teaching facility. Enhanced Care Management (“ECM”) and Community Supports, or In Lieu of Services (“CS” or “ILOS”) Providers without a state level enrollment pathway may also be subject to a different vetting process. KHS reserves the right to require any credentialing deemed necessary for any hospital-based provider type, including but not limited to:

1. Hospitalist practicing exclusively in an inpatient setting.
2. Radiologist practicing in an outpatient setting.
3. Anesthesiologist in an ambulatory care setting or practicing in an office setting specific to pain

management.

### **NON-DISCRIMINATORY CREDENTIALING FOR PROVIDERS**

Credentialing and recredentialing will be conducted in a manner that is non-discriminatory. Credentialing and recredentialing decisions are made solely based on the results of the verification process. No decisions will be based on an applicant's race, ethnicity, national origin, religious creed, gender, age, sexual orientation, disability, or area of practice (e.g., Medicaid) in which the provider specializes.

All credentialing applicants are logged, and their status (Approved/Denied) are recorded on a monthly report to the KHS Physician Advisory Committee ("PAC"). Annually, the voting members of PAC sign an affirmation confirming that credentialing decisions are solely based in a manner that is non-discriminatory and confidential.

Monitoring will be conducted semi-annually (June & December) by tracking and identifying discrimination in the credentialing and recredentialing processes to assure discriminatory practices do not occur. Any Executive Officer, provider, or employee who believes or becomes aware of any discriminatory act shall promptly report any violation in person or in writing to their supervisor or directly to the KHS Credentialing Manager. The Credentialing Manager reports semi-annually to the Physician Advisory Committee the number of complaints made alleging discrimination at credentialing or recredentialing.

#### **1.0 APPLICATION**

Application for provider status is made by submitting a completed application together with the applicable and required supporting documents to the Provider Network Management Department. Application forms are available through the Provider Network Management Department and are available electronically on the KHS Provider Portal.

All documents for any applicant or reapplicant must be no more than 180 days old at the time they are considered for participation or reapplication. Primary source verification will be obtained from the most accurate, current, and complete source available.

No application shall be acted upon unless it is complete, signed and dated, which includes completion of the application form, attestation questionnaire, release of information and submission of all supporting documents, including any additional information requested by the PAC. If the provider is notified that the application (or supporting documents) is incomplete or illegible, the provider must provide the missing information for the credentialing process to continue within 10-calendar days. The provider is responsible for providing the information to satisfy the process or request by the PAC. It is the provider's burden to provide all information requested and to resolve any difficulties in verifying or obtaining the documentation required to satisfy the credentialing requirements. If the provider fails to provide this information, the credentialing application will be deemed incomplete and will result in an administrative denial or withdrawal of application from the KHS network. Providers who fail to provide this burden of proof do not have the right to submit an appeal. Applications are evaluated according to the credentialing criteria and verification sources set forth in Attachments A & B. An application that does not satisfy these criteria, as determined

by the PAC or Board of Directors, may be denied. The PAC may deny provider status if the information submitted is insufficient to resolve reasonable doubts as to the provider's qualifications. KHS reserves the right to exercise discretion when applying any criteria and to exclude providers who do not meet the criteria. KHS Board of Directors, after considering PAC recommendation, may waive any requirement for network participation established by these policies and procedures for good cause if it is determined that such waiver is necessary to meet the needs of KHS and the community it serves. The refusal to waive any requirement shall not entitle the provider to a hearing or any other rights of review.

### 1.1 Required Attestation

The application includes an attestation which includes, but is not limited to the following statements by the applicant:

- A. Any limitation or inabilities that affect the provider's ability to perform any of the position's essential functions, with or without accommodation, and reasons for the same.
- B. History of loss of license and/or felony conviction(s), including plea of nolo contendere.
- C. History of loss or limitation of privileges and/or disciplinary activity.
- D. Lack of present illegal drug use.
- E. A current and signed attestation by the applicant of the accuracy and completeness of the application.

## 2.0 APPLICATION REVIEW/COMMITTEE AND BOARD REVIEW

### 2.1 Application Review

The PAC shall serve as the Credentials Committee and shall be responsible for the review of all applications.

KHS monitors the initial credentialing process and verifies the following information<sup>i</sup> along with other documents required by DMHC, DHCS, NCQA and KHS:

- A. The appropriate license and/or board certification or registration to practice in California. (Verification Source: applicable state licensing or certifying agency via verbal, written or internet/electronic method.)
- B. Evidence of graduation or completion of any required education (Verification Source: AMA Masterfile, AOA Official Osteopathic Master file, ABMS Board Certification or directly from primary source Medical, Residency, Fellowship or Professional training Program.)
- C. Proof of completion of any relevant medical residency and/or specialty training. (Verification Source: AMA Masterfile, AOA Official Osteopathic Master file, ABMS Board Certification or directly from primary source Medical, Residency, Fellowship or Professional training Program.)
- ~~C~~.D. Proof of completion of any relevant professional training (non-physicians) (Verification Source: National Student Clearinghouse or appropriate board/registry when the board or registry performs primary source verification of education.)
- ~~D~~.E. Work history (Verification Source: Documented on application or curriculum vitae/resume in month/year format)
- ~~E~~.F. Hospital and clinic privileges in good standing (Verification Source: Verbal, written or internet/electronic verification directly with the institution, hospital letter or directory.)
- ~~F~~.G. History of suspension or curtailment of hospital and clinic privileges (Verification)

- ~~G.H.~~ Source: NPDB with Continuous Query)  
Current Drug Enforcement Administration identification number. (Verification Source: DEA Office of Diversion Control, AMA Masterfile, AOA Official Osteopathic Masterfile, DEA or CDC Certificate or photocopy of the certificate, or visual inspection of the original DEA or CDS Certificate including DEA waivers)
- ~~H.I.~~ National Provider Identifier number (Verification Source: NPPES Registry)
- ~~I.J.~~ Current malpractice or professional insurance in an adequate amount, as required for the particular provider type. (Verification Source: Copy of certificate face-sheet, Federal Tort Letter, or if the provider’s malpractice insurance coverage is current and provided in the application.)
- ~~J.K.~~ History of liability claims against the provider (Verification Source: NPDB with Continuous Query)
- ~~K.L.~~ Provider information, if any, entered in the National Practitioner Data Bank, when applicable (Verification Source: NPDB with Continuous Query)
- ~~L.M.~~ History of sanctions from participating in Medicare and/or Medicaid/Medi-Cal. Providers terminated from either Medicare or Medicaid/Medi-Cal, or on the Suspended and Ineligible Provider List, may not participate in the MCP’s provider network. (Verification Source: NPDB with Continuous Query and/or including but not limited to: OIG-Office of the Inspector General LEIE Database, CMS Medicare Opt Out Affidavit, DHCS Medi-Cal Suspended/Ineligible List, DHCS Restricted Provider List (RPD) and the SAM-System for Award Management Database.)
- ~~M.N.~~ Meets the requirements for Medi-Cal FFS enrollment and is approved with DHCS as defined by the relevant DHCS All Plan Letter and/or within the established process outlined in KHS Policy & Procedure 4.43-P Medi-Cal Enrollment Policy. (Verification Source: CHHS Portal for Enrolled Medi-Cal Fee For Service Provider; Copy of welcome/approval letter from DHCS; DHCS Medi-Cal Ordering, Referring & Prescribing (ORP) Portal; Other health plan attestation of enrollment at KHS discretion.)

**2.2 Discrepancies in Credentialing Information**

In the event there is information obtained by the credentialing staff that substantially differs from that supplied by the provider, the credentialing staff will contact the provider to have them either correct or provide an explanation of the differences. Providers have the right to correct erroneous information submitted during the application process; corrections must be submitted in writing to the credentialing staff within 10-calendar days of the notification.

**2.3 Area of Practice / Listing in Provider Directories and Other Member Materials**

Providers will only be credentialed in the area of practice in which they have adequate education and training verified through primary source verification, if applicable, from an ACGME accredited residency and/or fellowship as set forth by the American Board of Medical Specialties (“ABMS”) or American Osteopathic Association (“AOA”) for requested sub-specialties (see credentialing requirements in Attachments A). KHS uses specialties and sub-specialties recognized by the ABMS and AOA. It is expected that providers confine their practice to their credentialed specialty when providing services to KHS members. KHS will ~~only list those provider specialties in member materials and practitioner directories that are consistent with the information obtained during the credentialing process including education/training~~ verified through primary source, ~~board certification specialties and~~ recognized according to ABMS/AOA, ~~or as verified on other professional license certificate if applicable or non-physician~~

~~professional certificate description in the Provider Directory Listing.~~

## 2.4 Provider Rights

Providers have the right, upon request, to review the information submitted in support of their credentialing application; additionally, providers have the right to:

A. **Right to review credentials information:** The provider may request to review information obtained by KHS for the purpose of evaluating their credentialing and recredentialing application. This includes information obtained from outside sources such as malpractice carriers or state licensing agencies, and/or board certification, but does not extend to review of information from peer reference recommendations, hospital privileges verifications or other information protected by law from disclosure including peer review protected information. Providers may submit their request for review to their Provider Relations Representative via written request, certified mail. The Credentialing Manager or Coordinator will coordinate a time and date for such access during regular business hours and in the presence of a credentialing staff personnel, KHS Chief Medical Officer or KHS Executive Officer within 72-hours of request. The provider is not permitted to remove, destroy or photocopy documentation from the credentials file except what was originally provided by the provider upon application.

B. **Right to correct erroneous/inaccurate information:** The provider may correct erroneous or inaccurate information obtained by KHS for the purpose of evaluating their credentialing and recredentialing application in the event that credentialing information obtained from primary sources varies substantially from that provided by a provider. The provider will have the opportunity to correct information in the application which is inconsistent with the information received via primary source verification process. The Credentialing Coordinator will notify the provider within fourteen (14) days via email, letter or fax of the discrepancy and will include the items found to be inconsistent. Such notice will not contain protected peer review information or copies of the NPDB Summary. The provider shall respond within 48-hours of the plan's notification or within 24-hours of provider's credentialing file review, in writing via email, letter or fax, regarding the inconsistent information on the application and return a formal response to the Credentialing Staff, PR Representative, or KHS CMO, within fourteen (14) days. The Credentialing Staff will reverify the primary source information until the discrepancy is resolved. If the discrepancy is not resolved within ninety (90) days or within 180-days from attestation date, whichever is sooner, the application will be deemed incomplete and will be considered administratively withdrawn and the file closed with no further action.

A.C. **Right to request/receive status update on application:** The provider may request review of information obtained by KHS for the purpose of evaluating their credentialing and recredentialing application. ~~This includes information obtained from outside sources such as malpractice carriers or state licensing boards but does not extend to review of information from references, or recommendations protected by law from disclosure.~~ Providers may submit their request for review to their Provider Relations Representative via email, letter, or fax. ~~The Credentialing Manager or Coordinator will review and provide the requested information in a~~

timely and courteous manner no more than seven 7-business days of the request.

- ~~B. correct erroneous information.~~
- ~~C. be informed of the status of his/her application during the credentialing process, upon request.~~
- ~~D. to be notified, in writing, of the initial credentialing decisions within 60 days from the date the decision was made.~~

## 2.5 Confidentiality

The KHS credentialing program has transitioned from a paper-based file to an electronic credentialing (paperless) file system as of March 2020. All existing paper credentialing files have been scanned and archived into an electronic filing central repository. Existing paper-files will be maintained at an off-site, secured file room. Access to the off-site, secured file room is restricted and accessible to PNM credentialing staff under the oversight of the Chief Network Administrative Officer.

The electronic credentialing files will be maintained in a central repository that can only be accessed by PNM/Credentialing Staff who have been issued access using their unique electronic identifier and user-specific password for access to prevent unauthorized access or release of information.

All information collected during the credentialing, recredentialing and through the proceedings of PAC shall be confidential and protected from discovery pursuant to California Evidence Code Section 1157 and Health and Safety Code 1370 and will be maintained as confidential records. Annually, PAC members will sign confidentiality statements.

## 2.6 Credentialing File Review

The Provider Network Management Department and the Chief Medical Officer, (CMO) or his/her designee assist the PAC in investigating and evaluating applications. The Provider Network Department representatives and the CMO shall be deemed agents of the PAC in any such investigation or evaluation.

All providers participating in the KHS network must be approved by the PAC. The CMO has the authority to determine whether or not credentialing or recredentialing files are “clean” and meet established criteria. A file must meet the following criteria to be considered a “clean file”:

- A. No malpractice cases that resulted in settlement or judgment paid on behalf of the provider within the previous 5-years for initial applicants or since the last credentialing/recredentialing review date.
- B. No 805/805.1 reports, State Licensing accusations, limitations, or sanctions on licensure.
- C. No adverse events from other regulatory, state, or federal agencies, i.e., OIG, NPDB, Medicare Opt-Out, Medi-Cal Suspended or Ineligible list, System for Award Management, etc.
- D. Current and signed attestation confirming correctness and completeness of application.
- E. For those offices requiring an office site visit, overall score of 90% or higher.

- F. For recredentialing, no more than seven (7) member complaints, no internal quality of care case reviews, no utilization management or compliance issues or trends in the prior 3-years.
- G. The CMO will have the discretion to refer any member complaint or quality of care concern for a comprehensive review by the PAC regardless of the severity score.
- H. Those files determined by the CMO not meeting the above criteria or at his/her sole discretion, will require comprehensive review by the PAC.

## 2.7 Comprehensive Reviews

Credentialing files determined to not meet “clean file” criteria (as listed above in 2.6) will require comprehensive review by PAC.

The CMO or his/her designee reviews the applications and prepares his/her approval or recommendations to the PAC, as follows:

- A. The recommendation is reviewed by the PAC which prepares its approval or recommendation, such as modification or denial, which is submitted to the Board of Directors.
- B. If the PAC recommends the denial of the application based on:
  - a. A perceived medical disciplinary cause or reason, indicating the potential for a provider’s conduct to be detrimental to patient safety or to the delivery of patient care; and/or
  - b. A perceived issue with conduct or professional competence which affects or could affect adversely the health or welfare of a patient or patients.

Then the application shall be referred to Peer Review and/or the Board for consideration and recommendation. The Peer Review and/or Board has the authority to request additional information, interview the applicant, or implement the Fair Hearing Policy before it is submitted to the Board for final action. If the Peer Review determines that neither of the above factors exist or should be cited as grounds for denial, the matter shall be forwarded, with associated recommendations, to the Board.

## 2.8 Provisional Approval/Clean file Approval

In the circumstance where a provider file is ready for presentation to the PAC, however there is no PAC meeting scheduled, ~~or was cancelled due to member scheduling conflicts, including but not limited to; lack of quorum to vote on matters,~~ prior to the next Board of Directors meeting, the CMO may recommend the applicant(s) to the Board of Directors for provisional/clean file approval. In order to be considered for provisional approval, the applicant must meet the criteria in the applicable exhibit (Attachments A& B) and have no malpractice action (pending or closed) within the previous five years (three years if the applicant is being recredentialled). In the case of recredentialing, in addition, there may not be any ~~incidents noted pending or current issues, requiring comprehensive review, reported~~ by the Quality Improvement, Utilization Management, Member Services or Compliance Departments ~~or Audits and Investigations~~ in the interval since the applicant was last credentialled. ~~Furthermore, no provider may remain in provisional status for more than 60 days.~~



If provisional/clean file approvals are granted by the ~~Board of Directors~~ CMO, the applicant shall be presented to the PAC at its next meeting for approval ratification. The CMO approval date becomes the official approval date.

## 2.9 Locum Tenens

KHS providers may utilize Locum Tenens if an existing contracted provider is unavailable to seen KHS members. KHS providers, joining an existing contracted group may also utilize a newly hired provider as a Locum Tenens while the new provider is in the process of being credentialed when there is a written request documenting the urgent or emergent need. In either situation, **the following conditions must be met prior to a Locum Tenens rendering services** to KHS Members.

- A. Locum Tenens must be of the same provider type and specialty as the provider on leave, e.g., a physician must substitute for a physician in same designated specialty; a non-physician for a non-physician.
- B. KHS must be notified of the request for Locum Tenens in writing from the existing contracted group or provider.
- C. If the request is received after services are rendered, KHS will only retroactively pay for services rendered within the prior fourteen (14)-days. Claims for services outside that timeframe may be denied.
- ~~C.D.~~ KHS must be provided with a copy of a current, valid, and unrestricted California medical license.
- ~~D.E.~~ KHS must be provided with a copy of a current, valid, and unrestricted DEA issued with a California address, if applicable
- ~~E.F.~~ KHS must have copy of the practitioner's professional liability insurance in the amounts of \$1,000,000.00 per occurrences and \$3,000,000.00 in aggregate.
- ~~F.G.~~ In order to be considered for Locum Tenens, the applicant must meet the established clean file criteria, and have no malpractice actions (pending or closed).

If there are malpractice actions pending and/or closed against a Locum Tenens provider, KHS may at its sole discretion allow for the provider to serve as a Locum Tenens depending on the nature of the malpractice actions. In any of the described situations, the Locum Tenens provider must receive written approval from KHS prior to rendering services to KHS members, if payment is to be made.

If the Locum Tenens status is approved by KHS, the Locum Tenens provider will be compensated for services at the same rate as the KHS contracted provider. However, KHS is not responsible for the compensation arrangement between the provider on leave and the Locum Tenens provider. The use of the same Locum Tenens provider will be limited to 90 consecutive days. KHS reserves the right to approve a Locum Tenens status extension due to extenuating circumstances.

KHS will deny payment for any services provided by or ordered by the Locum Tenens Provider if not all the conditions above are met. The contracted provider will be responsible for all charges associated with same.

**2.10 PAC Decision Regarding Credentialing**

Decisions made by PAC are considered to be final. The Board of Directors will be notified of all determinations in accordance with this policy.

If provider is approved for network participation, an official letter of appointment is sent to the provider and two copies of the Provider Agreements with a request for signature and return to KHS. Once fully executed, a copy of the contract is returned to the new provider.

If provider is denied for network participation, a letter of denial is sent to the provider by certified mail, return receipt required. A provider who has been denied network participation is not eligible to reapply for a period of one year. Exceptions may be made based on the need for providers in the provider's area of practice or when incomplete information was obtained with the original application. A second or subsequent application, pursuant to an applicable exception, is processed as if it is the original application, and the process will start over.

If the recommendation by the PAC is to deny the application, the recommendation alone, without any supporting information, is forwarded to the Board of Directors. The Board shall not take any action on the recommendation or review other information regarding the application except in accordance with KHS Policy and Procedure #4.35-P – Provider Hearings.

**2.11 Effective Date**

An applicant's provider status shall take effect on the first day of the month following the PAC Meeting in which the provider is approved to provide health care services to KHS members.

**2.12 Notification of Decisions Regarding Initial Applicants**

KHS will notify, in writing, initial credentialing applicants of the decision within 60-days from the date of the PAC's credentialing decision ~~was made~~. Initial applicants should refrain from rendering treatment, care or services until they are in receipt of the official KHS letter with effective date.

**2.13 Notification of Adverse Decisions Regarding Recredentialing**

KHS will notify, in writing, recredentialing applicants of any adverse recredentialing decisions, including denial of recredentialing, within 60-days from the date of the PAC's credentialing decision.

**3.0 PROVIDER RESPONSIBILITY TO REPORT CHANGES**

Once approved, each provider shall remain in compliance with the credentialing criteria and report to the CMO all of the following:

- A. The commencement or resolution of any civil action against the provider for professional negligence
- B. Any change in the provider's license or DEA status
- C. The initiation of and reason for any investigation or the filing of any complaint against the provider by any government agency
- D. Any adverse determination by any facility or entity with a credentialing or peer review

- process concerning provider's quality of care.
- E. A change in any hospital or practice privilege granted to the practitioner by any facility or entity with a credentialing or peer review process
- F. Any change in the provider's errors and omissions or professional negligence insurance coverage including changes affecting coverage of specific clinical procedures or privileges of the practitioner
- G. Conviction of the provider or entry of a plea of nolo contendere to any felony.
- H. Conviction of a provider or entry of a plea of nolo contendere to any misdemeanor involving fraud, abuse of the Medi-Cal program or any patient, or otherwise substantially related to the qualifications, functions, or duties of a provider of services
- I. Conviction of the provider of any crime or an entry of a plea of nolo contendere to any crime involving moral turpitude or otherwise relating to the provider's fitness or ability to practice medicine or deliver health care services
- J. The filing of any charges against the provider alleging unlawful sale, use, or possession of any controlled substance.
- K. Suspension from the federal Medicare or Medicaid programs for any reason.
- L. Lost or surrendered a license, certificate, or approval to provide health care.
- M. Any other adverse occurrence that relates to the provider's license or practice, including but not limited to revocation or suspension of a license by a federal, California, or another state's licensing, certification, or approval authority.
- N. If the provider is a clinic, group, corporation or other association, conviction of any officer, director, or shareholder with a 10 percent or greater interest in that organization of any crimes set forth above.

#### 4.0 RECREDENTIALING AND COMPLIANCE WITH LAWS

Each provider is recredentialed every 36-months. However, recredentialed may be made sooner when required by a change in relevant provider information or if the PAC makes such recommendation.<sup>ii</sup> The process includes a review of all applicable areas for credentialing.

Provider shall provide all requested documentation to KHS for recredentialed, and KHS reserves the right to consider information from other sources pertinent to the credentialing process, such as quality improvement activities, member grievances, and medical record reviews.

A provider may be reviewed any time at the request of the QI/UM Committee, the PAC, the Chief Executive Officer, the CMO, or the Board of Directors. During recredentialed, KHS will consider information from other sources pertinent to the credentialing process, including but not limited to, quality improvement activities, member grievances, and medical record reviews.

KHS complies with all reporting requirements, including those required by the California Business & Professions Code and the Federal Health Care Quality Improvement Act.

All credentialing and peer review records and proceedings shall be confidential as contemplated by section 1157 of the California Evidence Code, section 1370 of the California Health & Safety Code, and section 14087.38 of the California Welfare & Institutions Code.

In the event of any conflict between these credentialing policies and the Federal Health Care Quality Improvement Act, the latter shall be deemed to prevail.

These credentialing policies shall be reviewed at least annually by the PAC which may recommend revisions or amendments to the Board of Directors.

## **5.0 HEARING RIGHTS**

Hearing rights, if any, are as set forth in KHS Policy and Procedure #4.35-P – Provider Hearings.

## **6.0 RELEASE**

By applying for or accepting provider status, an applicant releases KHS and its members, employees, officers, and agents from any liability associated with processing and investigating the application and submits to KHS' corrective action and disciplinary process and to the relevant KHS Policies and Procedures, including but not limited to, KHS Policy and Procedure #4.35-P – Provider Hearings. This release is in addition to any immunities available under California or federal law.

## **7.0 ADDITIONAL INFORMATION**

### **7.1 Specialists Practicing Primary Care**

Providers with sub-specialties recognized by the ABMS or one of its Member Boards may function in the role of a Primary Care Practitioner (PCP) if they meet the requirements to be a PCP (See Attachment A). However, KHS credentialed specialists functioning as a KHS credentialed PCP may not self-refer for specialty care. If the provider sees a member assigned to him/her for primary care, he/she may not bill as a specialist even if that member's condition is within the provider's sub-specialty. The provider may accept authorized sub-specialty referrals from providers outside of his/her group for those services provided as a sub-specialist.

### **7.2 Scope of Mid-Level Practitioners**

KHS members either select or are randomly assigned to a contracted PCP. The PCP may choose to arrange with a mid-level practitioner to provide primary care to assigned members but must provide active supervision of the care delivered.

A current specialty practitioner may employ a mid-level practitioner and may permit this practitioner to participate in the care delivered to members in accordance with the Standardized Procedure Guidelines, Delegation of Services Agreement, and KHS Policy and Procedure 4.04-P Non-Physician Medical Practitioners. Mid-level practitioners will be credentialed in the specific specialty in which they will be working. The credentialing will be dependent on the training and experience in the field in which the mid-level is requesting to be credentialed.<sup>iii</sup>

KHS will require either 6 months formal training in a program or one year of full-time

experience in the field which credentialing is requested.

Nurse Practitioners with a furnishing license may furnish drugs. Physician Assistants may administer or provide medication to a patient, or transmit orally, or in writing on a patient’s record or in a drug order, an order to a person who may lawfully furnish the medication or medical device pursuant to the guidelines in California Business and Professions Code, Section 3502.1 subdivisions (c) and (d).

**7.3 Facility and Ancillary Providers/ Assessment of Organizational Providers**

KHS will contract with new facilities, pharmacies, and ancillary (non-practitioner) providers if these providers meet and remain in compliance with KHS requirements including but not limited to:

- A. Provider must be physically located in and providing services in Kern County for one year prior to application.
- B. must be in good standing with KHS.
- C. must be able to submit claims electronically.
- D. must be able to participate in the KHS electronic funds transfer (EFT) program.
- E. laboratory providers must be able to submit lab results/data to KHS electronically.
- F. Durable medical equipment (DME) providers must be able to service KFHC Members seven (7) days a week.

G. Meets the requirements for Medi-Cal FFS enrollment and is approved with DHCS as defined by the DHCS APL 19-004 and/or within the established process outlined in KHS Policy & Procedure 4.43-P Medi-Cal Enrollment Policy.

KHS will conduct an initial and ongoing assessment of the providers with which it contracts. The assessment of the health care delivery provider will be conducted before it contracts with a provider, and for at least every 36-months thereafter, in accordance with KHS Policy & Procedure 4.XX-I “Assessment of Organizational Providers & Behavioral Health Providers”

~~G.~~

**7.4 Medical Transportation Providers (Non-Medical Transportation (NMT) and Non-Emergency Medical Transportation (NEMT))**

KHS will require all NMT/NEMT providers to be credentialed and contracted by KHS in accordance with ancillary credentialing requirements, as applicable, and subject to utilization controls, grievances/appeals process, and permissible time and distance standards. KHS may subcontract with transportation brokers for the provision of the NMT/NEMT services who may have their own network of NMT/NEMT providers; however, KHS cannot delegate their obligation related to grievances and appeals, enrollment of NMT/NEMT providers as Medi-Cal providers, or utilization management functions including the review of Physician Certification Statement (PCS) forms to a transportation broker.

All current and prospective NMT/NEMT providers must be screened, enrolled, and approved through DHCS Medi-Cal Fee-For-Service in accordance with APL 22-013 Screening and Enrollment and KHS Policy and Procedure, 4.43-P Medi-Cal Enrollment Policy and 5.15-P Member Transportation Assistance to be considered for

KHS Network.

**7.5 Enhanced Care Management (ECM) and Community Supports (CS) Providers**

If there is no state-level Medi-Cal FFS enrollment pathway, ECM, and Community Support Providers (CS) are not subject to APL 22-013 related to Medi-Cal screening and enrollment, credentialing, and background checks. To include an ECM/CS Provider, when there is no state-level Medi-Cal enrollment pathway, KHS is required to vet the qualifications of the Provider or Provider organization to ensure they meet the standards and capabilities required to be an ECM or CS Provider and comply with all applicable state and federal laws, regulations, ECM/CS requirements, contract requirements, and other DHCS guidance, including relevant APLs and Policy Letters.

**7.6 HIV/AIDS Provider**

On an annual basis, providers recognized as HIV/AIDS specialist providers must complete the HIV/AIDS Specialist Certification certifying their completion of the requirements set forth in AB 2168-Standing Referral for HIV/AIDS Patients, California Health & Safety Code 1374.16, and Title 28 Section 1300.67.60 to be recognized as an HIV/AIDS specialist provider.

All infectious disease specialists and/or other qualified physicians will be surveyed annually to determine the following:

- A. Whether they wish to be designated an HIV/AIDS specialist
- B. Whether they meet the defined criteria as per California H&S Code 1374.16

A list of those specialists who meet the defined criteria and who wish to be designated as HIV/AIDS specialist will be sent to the UM Department responsible for referrals (e.g., UM Director) via e-mail annually. If the survey reveals that none of the physicians within the KHS network qualify as HIV/AIDS specialist, this information will be communicated to the UM Director.

**7.7 MENTAL HEALTH AND SUBSTANCE USE DISORDER PROVIDER CREDENTIALS**

Effective January 1, 2023, Managed Care Plans that cover and who credential health care providers in mental health and substance use disorder services for its network, will assess and verify the qualifications of a health care provider within 60-calendar days after receiving a completed provider credentialing application.

Upon receipt of an application from a mental health or substance abuse provider, the KHS Credentialing Staff will notify the applicant within seven (7) business days of receiving the application to verify receipt and inform the applicant whether the application is complete. Applications returned as “incomplete” will be given 15-calendar days to return any incomplete or missing required information.

A mental health or substance abuse provider application is considered complete based on the requirements set forth in this Policy and Procedure, Sections 1.0 Application,

Section 2.0 Application Review and Attachment B – Behavioral Health Practitioner Provider Specific Credentialing Criteria.

Pursuant to Section 2.8, Provisional Approval will be granted and approved for those applicants whose credentialing file meet clean file criteria and are absent of, but not limited to, any adverse actions, disciplinary licensing actions, including conduct or professional competency. Files with adverse actions or information will be reviewed at the next scheduled Physician Advisory Committee for determination. [Reference: AB 2581 (Salas, CH. 533, Stats. 2022)]

**7.8 COMMUNITY HEALTH WORKER**

CHW Providers must have a lived experience that aligns with and provides a connection between the CHW and the member or population being served. CHW Providers are not licensed providers, require a Supervising Provider, do not follow traditional credentialing requirements, and do not have a corresponding state-level enrollment pathway.

KHS Provider Network Management’s Credentialing Staff will conduct an assessment to validate the CHW Provider meets the requirements outlined in the DHCS APL 22-016 Community Health Worker, including but not limited to having valid NPI Number, possess lived experience that aligns with and provides a connection between the CHW and the member or population being served; has obtained a minimum of six (6) hours of additional relevant training annually; has a Supervising Provider employed by the same organization overseeing the CHW with which is KHS Contracted. CHW Providers are required to demonstrate, and Supervising Provider must maintain evidence of, minimum qualifications through a Certificate Pathway or a Lived Experience Pathway consistent with APL 22-016, or any superseding APL. Refer to provider specific criteria is listed in “Attachment D Non-Licensed Other Provider Types” of this policy.

Supervising Providers, with a state-level Medi-Cal enrollment pathway, must follow the standard process for enrolling through the DHCS’ Provider Enrollment Division. For the Supervising Providers that do not have a corresponding state-level enrollment pathway, they will not be required to enroll in the Medi-Cal program. Supervising Providers, without a state level enrollment pathway, must complete the appropriate provider application, Supervising Attestation and Acknowledgement form for submission to KHS Credentialing for review and approval. KHS will verify the supervising provider meets the qualification as a licensed provider, or other acceptable supervising provider designated within a hospital, outpatient clinic, local health jurisdiction (LHJ) or a community-based organization (CBO), employing or otherwise overseeing the CHW, with which Kern Health Systems (KHS) contracts.

**7.9 DOULA PROVIDERS**

KHS Provider Network Management’s Credentialing Staff will conduct an assessment to validate the doula provider meets the requirements outlined in the DHCS All Plan Letter (APL) 22-031 Doula Services, or any superseding APL. Doulas are not licensed providers, do not require supervision, do not follow traditional credentialing requirements, and have a corresponding state-level pathway for enrolling in Medi-Cal. Refer to provider specific criteria is listed in “Attachment D Non-Licensed Other Provider Types” of this policy.

**7.10 DYADIC SERVICE CARE PROVIDERS / NON-SPECIALTY MENTAL HEALTH SERVICES PROVIDER MANUAL (NSMHS)**

KHS Provider Network will include Psychiatric and Psychological Service providers as outlined in the DHCS NSMHS provider manual and/or who provide Dyadic Care Services by Licensed Clinical Social Workers, Licensed Professional Clinical Counselors, Licensed Marriage and Family Therapists, Licensed Psychologists, Psychiatric Physician Assistants, Psychiatric Nurse Practitioners, and Psychiatrists. Additionally, Associate Marriage and Family Therapists, Associate Professional Clinical Counselors, Associate Clinical Social Workers, and Psychology Assistants may render these services under the supervision of credentialed practitioner, who is qualified to provide supervision and whose licensure is not currently suspended, limited/restricted or on probation.

Network Providers who are licensed independent practitioners will be subject to the credentialing and enrollment process outlined in Section 1.0 -6.0 of this policy and are required to enroll as Medi-Cal Providers, consistent with APL 22-013, or any superseding APL, if there is a state-level enrollment pathway for them to do so. For Associate or Assistant provider types, when there is no state-level enrollment pathway, the KHS Provider Network Management’s Credentialing Staff will conduct an assessment to validate these providers meets the requirements outlined in the DHCS NSMHS Provider Manual and/or DHCS APL 22-029 Dyadic Care Services and Family Therapy Benefit. Refer to provider specific criteria is listed in “Attachment D Non-Licensed Other Provider Types” of this policy.

**ATTACHMENTS:**

- Attachment A: Provider Specific Credentialing Criteria – Practitioners
- Attachment B: Provider Specific Credentialing Criteria – BH-Practitioners
- Attachment C: Org-Facilities, Ancillary Services, Pharmacies
- Attachment D: Non-Licensed Other Provider Types

**REFERENCE:**

---

[Revisions 11-2023: Section 2.1 Recommended by NCOA Consultants to add Primary Verification Approved Sources used by Credentialing to verify each item; Section 2.4 Provider Rights: Language restructured as](#)



recommended by NCQA Consultant to match Provider Rights Addendum; Section 2.8 revised to include CRIA-Factors 3-5 for Managing files that meet clean-file criteria and approval by CMO;  
Revisions 08-2023: Credentialing Policy Section 2.9 – Added time-limited retroactive payment of 14-days on Locum Tenens request received after services are rendered as approved by Executive Roundtable on 07/25/23.  
Revision 06-2023: NCQA CRIA-6 added Nondiscriminatory monitoring; NCQA CRIA-11 - 2.3 added process to ensure information in member materials is consistent with information obtained in credentialing; NCQA CR1B-1-3 Practitioner Rights added language regarding all practitioners rights; Section 2.5 added PAC Members will annually sign confidentiality statements; NCQA CRIA-8 Section 2.13 added Notification of adverse record decision; NCQA CR7 added language regarding assessment of organizational providers

**Revision 04-2023:** Credentialing Policy Section 7.0 has been revised to add related credentialing requirements specific to Doula Service Providers, Dyadic Care Service Providers and Community Health Workers. References include: APL 22-016 Community Health Workers; APL 22-031 Doula Services; DHCS APL 22-029 Dyadic Services, DHCS Provider Manual NSMHS & CA Board of Behavioral Sciences **Revision 03-2023:** Credentialing Policy Section 7.0 has been revised to add section related to compliance with Assembly Bill 2581 Health Care Coverage: Mental Health and Substance Use Disorders – Provider Credentials. **Revision 01-2023:** Credentialing Policy has gone through a comprehensive revision by KHS PNM Management and legal review with DSR Health Law to bring into current practice and compliance with all state, federal, DHCS APLs and NCQA credentialing standards. In addition, DSR Health Law performed a regulatory review making further updates and revisions to bring into compliance with DHCS Contract language, DHCS All Plan Letters related to credentialing and screening/enrollment processes, CalAIM and California Business and Professions Code where applicable. KHS PAC Approved 2/1/2023 and KHS BOD Approved 2/16/2023. DHCS File and Use disposition given on 6/2/2023. **Revision 2015-06:** QAS Provider requirements per DHCS 14-026; and Behavioral Health Provider requirements. **Revision 2014-12:** Item B. in Section 7.4 “cannot be physician owned, either directly or indirectly;” was deleted as requested by Compliance Director 10/01/2014. SBIRT training removed from Policy 2.22-I Facility Site Review and added to credentialing per COO. **Revision 2013-07:** New Attachment “N” Walk in Clinic Providers. Approved at the Physician Advisory Committee (PAC) Meeting on March 6, 2013. **Revision 2012-10:** Language added to allow Mid-levels participate in a specialty settings and perform initial evaluations. The specialty physician must see the patient at least every third visit. **Revision 2012-08:** Deleted requirement for non-physicians to pay \$100 Credentialing process fee. **Revision 2012-01:** Revisions to attachments only. **Revision 2011-06:** Policy approved by management 11/15/10. However additional changes we provided by Director of Claims and Provider Relations regarding SPD members, Specialists and Emergency Room Physicians. Policy KHS Board approved 4/14/11. Revision to Attachments A and D regarding credentialing criteria. Board approved on 10/14/2010. Additional language added (01/2011) per Director of Claims and Provider Relations see Section 7.3 and 7.4 language from policies 4.4-P and 4.25-P respectively. **Revision 2010-05:** Physicians Advisory Committee added clarification of credentialing requirements in Attachment A #6. **Revision 2009-09:** Revised by Provider Relation Director. **Revision 2007-03:** Revised per DHS/DMHC Medical Review Audit (YE 10/31/06). **Revision 2005-11:** Revised per DHS Work Plan (07/10/05). **Revision 2005-04:** **Revision 2003-06:** Revised per DHS comment letter 03/04/03. **Revision 2002-08:** Routine review/revision. Revised per DHS Comment (10/30/01). Hospital Based Physicians section added per request of Medical Director. Radiology claims section added per request of Medical Director. Policy #4.03 – Pharmacy Credentialing deleted, and necessary information added to this policy. Pharmacy portion revised per DHS Comment (09/19/01). Revised per MMCD Policy Letter 02-03.

<sup>i</sup> DHS Contract Section 6.5.4.2

<sup>ii</sup> MMCD Policy Letter 02-03 § II

**PROVIDER-SPECIFIC CREDENTIALING CRITERIA**  
**Practitioners / Mid-Levels-Advanced Practice Practitioners**

LIPs – Licensed Independent Practitioners  
APP – Advanced Practice Providers (Mid-Levels)

| <b>Data Element</b>   | <b>Requirement/Criteria/Verification Source</b>   | <b>Credentialing Instance</b>  |
|---|---|--|
| <p><b>Application Form</b><br/>Form/Document which includes elements required by this Policy, completed by an applicant who is requesting network participation with KHS.</p> <p><b>Verification Time Limit:</b><br/>180 calendar days at time of the decision.</p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> LIPs<br/> <input checked="" type="checkbox"/> APP/Non-Physician Medical Practitioner<br/> <input checked="" type="checkbox"/> Other practitioner types approved by the KHS Physician Advisory Committee</p> | <p><b>Requirement:</b> Application must be signed, dated, complete, accurate and current. The application includes an attestation which includes, but is not limited to the following statements by the applicant:</p> <ul style="list-style-type: none"> <li>A. Any limitation or inabilities that affect the provider’s ability to perform any of the position’s essential functions, with our without accommodation and reasons for the same;</li> <li>B. History of loss of license and/or past or present felony conviction(s);</li> <li>C. History of loss or limitation of privileges and/or disciplinary activity voluntary or involuntary;</li> <li>D. Lack of present illegal drug use;</li> <li>E. Current and signed attestation by the applicant of the accuracy and completeness of the application.</li> </ul> <p><b>Criteria:</b> 1) All attestations questions answered “no” and written explanation for affirmative “yes” answers; 2) All credentials verified must be consistent with attested application; and 3) Providers can clarify discrepancies in writing or verbally.</p> <p><b>Source:</b> Application – Faxed, digital, electronic, scanned or photocopied signatures will be accepted. Stamped signatures or font print will not be accepted on the credentialing application.</p> <p><b>Exceptions:</b> 1) Incomplete applications will be returned to the applicant with a request for the missing items and will be considered incomplete and withdrawn if no response. 2) Applications exceeding 180-days will require provider to update the information, sign and date with statement attesting the application is current, complete and accurate.</p> | <ul style="list-style-type: none"> <li>✓ Initial Credentialing</li> <li>✓ Recredentialing</li> </ul>   |
| <p><b>California State License</b><br/>State Sanctions, restrictions on licensure or limitations on scope of practice</p> <p><b>Verification Time Limit:</b><br/>180 calendar days at time of the decision.</p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> LIPs<br/> <input checked="" type="checkbox"/> APP/Non-Physician Medical Practitioner</p>  | <p><b>Requirement:</b> Current and valid California Licensure with no previous or current state sanctions, restrictions on license, or limitations to scope of practice including 805 Reports.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> applicable state licensing or certifying agency via verbal, written or internet/electronic method.</p> <p><b>Criteria:</b> 1) Providers must provide explanations in writing for any previous, current or pending state sanction, restriction on license or limitations to scope of practice. PAC will review on case by case basis.</p> <p><b>Exceptions:</b> None</p>  | <ul style="list-style-type: none"> <li>✓ Initial Credentialing</li> <li>✓ Recredentialing</li> <li>✓ Credential Expiration</li> <li>✓ NPDB Continuous Query</li> </ul> |

**PROVIDER-SPECIFIC CREDENTIALING CRITERIA**  
**Practitioners / Mid-Levels-Advanced Practice Practitioners**

LIPs – Licensed Independent Practitioners  
APP – Advanced Practice Providers (Mid-Levels)

| Data Element   | Requirement/Criteria/Verification Source   | Credentialing Instance  |
|--|--|---|
| <input checked="" type="checkbox"/> Other practitioner types with State License  |  |   |
| <p><b>Certifying Agency</b><br/>Verification Time Limit:<br/>180 calendar days at time of the decision.</p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> BCBA, BCBA-D<br/> <input checked="" type="checkbox"/> RD<br/> <input checked="" type="checkbox"/> Other practitioner types with professional certificate</p>   | <p><b>Requirement:</b> Current and valid professional certificate with no previous or current sanctions, restrictions on certification, or limitations to scope of practice.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> applicable state licensing or certifying agency via verbal, written or internet/electronic method.</p> <p><b>Criteria:</b> 1) Providers must provide explanations in writing for any previous, current or pending state sanction, restriction on license/certification or limitations to scope of practice. PAC will review on case by case basis.</p> <p><b>Exceptions:</b> None</p>   | <ul style="list-style-type: none"> <li>✓ Initial Credentialing</li> <li>✓ Recredentialing</li> <li>✓ Credential Expiration</li> </ul> |
| <p><b>Drug Enforcement Agency (DEA)</b><br/><br/><b>Verification Time Limit:</b><br/>180 calendar days at time of the decision.</p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> LIPs<br/> <input checked="" type="checkbox"/> APP/Non-Physician Medical Practitioner<br/> <input checked="" type="checkbox"/> Other practitioner and non-practitioner types with DEA Certificate and/or furnishing licensure</p> | <p><b>Requirement:</b> A current valid Drug Enforcement Agency (DEA) registration number as applicable.</p> <ul style="list-style-type: none"> <li>- DEA must be issued to practitioner’s California address</li> <li>- Practitioners with pending DEA or those who choose not to have a DEA: must submit written letter from an alternate credentialed practitioner who is in possession of DEA and willing to write prescriptions on his/her behalf.</li> <li>- DEA cannot be linked to another facility or institution only or reflect “exempt” or “Limited to” status.</li> </ul> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> <b>DEA Office of Diversion Control, AMA Masterfile, AOA Official Osteopathic Masterfile, DEA or CDC Certificate or photocopy of the certificate, or visual inspection of the original DEA or CDS Certificate.</b></p> <p><b>Criteria:</b> 1) DEA Certificate must be current at all times and reflect an address in the state of California; 2) If provider does not have a DEA as a result of disciplinary action, including but not limited to, being revoked, or relinquished (voluntary or involuntary) the practitioner may not be eligible to participate in the KHS Network, PAC will review on case by case basis if alternate arrangements met the satisfaction of this requirement.</p> <p><b>Exceptions:</b> Radiology, Pathology, CRNAs<br/>*Other practitioners who do not prescribe scheduled medications may be exempt on a case by case basis and may be required to submit a DEA Waiver Form.</p> | <ul style="list-style-type: none"> <li>✓ Initial Credentialing</li> <li>✓ Recredentialing</li> <li>✓ Credential Expiration</li> </ul> |

**PROVIDER-SPECIFIC CREDENTIALING CRITERIA**  
**Practitioners / Mid-Levels-Advanced Practice Practitioners**

LIPs – Licensed Independent Practitioners  
APP – Advanced Practice Providers (Mid-Levels)

| <b>Data Element</b>   | <b>Requirement/Criteria/Verification Source</b>  | <b>Credentialing Instance</b>                        |
|---|--|--|
| <p><b>NPI Number</b></p> <p><b>Verification Time Limit:</b><br/>180 calendar days at time of the decision.</p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> All practitioner types / Type 1 Individual NPI<br/> <input checked="" type="checkbox"/> All provider types / Type 2 Organizational NPI</p>   | <p><b>Requirement:</b> A current valid NPI number.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> NPPES Registry</p> <p><b>Exceptions:</b> Atypical Providers who may not require NPI Number, example Qualified Autism Service Professionals or Paraprofessionals, and Community Healthcare Workers.</p>  | <p>✓ Initial Credentialing<br/>✓ Recredentialing</p> |
| <p><b>Education and Training</b></p> <p><b>Verification Time Limit:</b><br/>Prior to the credentialing decision.</p> <p><i>Note: verification must be conducted after the completion date of the highest level of education, if not board certified.</i></p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> LIPs<br/> <input checked="" type="checkbox"/> APP/Non-Physician Medical Practitioner<br/> <input checked="" type="checkbox"/> Other practitioner and non-practitioner types with State Licensure or professional certification</p> | <p><b>Requirement:</b> Graduation from a medical/professional school, or completion of an accredited residency and/or an accredited fellowship.</p> <p>Successful completion of accredited residency training, approved by the Accreditation Council for Graduate Medical Education (ACCGME), in the applicable field of practice is necessary in order to be credentialed as a specialist.</p> <p>For Chiropractors, Optometry, and other non-physician practitioners, including behavioral health practitioner, the highest level of education will be verified.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b><br/> <b>For physicians:</b> AMA Masterfile, AOA Official Osteopathic Masterfile, ABMS Board Certification, or Medical, <b>Residency, Fellowship</b> or Professional School <b>Programs</b> directly <b>from primary source.</b></p> <p><b>For Non-Physicians:</b> <b>National Student Clearinghouse</b> or appropriate board/registry when the board or registry performs primary source verification of education. <b>KHS Credentialing Team will maintain the board/registries statement that it conducts primary source verification of education on an annual basis.</b></p> <p><b>Criteria:</b> 1) Primary source verification without red flags; 2) Post-Graduate training is fully completed.</p> <p><b>Exceptions:</b> None</p> | <p>✓ Initial Credentialing</p>                       |

**PROVIDER-SPECIFIC CREDENTIALING CRITERIA**  
**Practitioners / Mid-Levels-Advanced Practice Practitioners**

LIPs – Licensed Independent Practitioners  
APP – Advanced Practice Providers (Mid-Levels)

| Data Element   | Requirement/Criteria/Verification Source   | Credentialing Instance  |
|--|--|---|
| <p><b>Board Certification</b></p> <p><b>Verification Time Limit:</b><br/>180 calendar days at time of the decision.</p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> MD/DO<br/> <input checked="" type="checkbox"/> DPM<br/> <input checked="" type="checkbox"/> PA, NP, CNM<br/> <input checked="" type="checkbox"/> Other practitioner and non-practitioner types with board certifying agency.</p> | <p>Board certification as applicable; verification of education is not required if provider meets board certification as highest level of education requirements.</p> <p>Board certification is not required but is verified when indicated on the credentialing application or when newly reported.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> American Board of Medical Specialties (Certifacts), AMA Masterfile, AOA Official Osteopathic Masterfile, or American Board of Podiatric Surgery Foot &amp; Ankle.<br/>For non-physician providers appropriate board/registry if indicated on the application or newly reported.</p> <p><b>Criteria:</b> 1) Board Certification (if applicable) is current, with our without Maintenance of Certification (MOC); 2) If Board Certification has expired it may be used for verification of education/training (per NCQA MD/DO/DPM Only)</p> | <ul style="list-style-type: none"> <li>✓ Initial Credentialing</li> <li>✓ Recredentialing</li> <li>✓ Credential Expiration</li> <li>✓ Upon New Certification</li> </ul> |
| <p><b>Specialty / Scope of Practice</b></p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> MD/DO</p>  | <p><b>Requirements:</b><br/>Completion of accredited residency training or ACGME accredited fellowship in the applicable field of practice is necessary in order to be credentialed as a specialist.</p> <p>Specialists that want to serve as SPD member’s primary care physician must have completed a residency in Internal medicine, or a residency in Pediatrics.</p> <p><b>Criteria:</b> Only those specialties and sub-specialties recognized by the ABMS will be listed in the Kern Health Systems Provider Directory. Additionally, the Medical Board of California &amp; CA Business &amp; Professions Code Section 651 recognizes ABMS and 4-additional Boards that meet the equivalent certification requirements as with ABMS. The 4-Boards include: American Board of Facial and Reconstructive Surgery, American Board of Pain Medicine, American Board of Sleep Medicine, and American Board of Spine Surgery.</p>    | <ul style="list-style-type: none"> <li>✓ Initial Credentialing</li> <li>✓ Upon newly reported</li> </ul>  |

**PROVIDER-SPECIFIC CREDENTIALING CRITERIA**  
**Practitioners / Mid-Levels-Advanced Practice Practitioners**

LIPs – Licensed Independent Practitioners  
APP – Advanced Practice Providers (Mid-Levels)

| <b>Data Element</b>  | <b>Requirement/Criteria/Verification Source</b>   | <b>Credentialing Instance</b>   |
|--|---|---|
| <p><i>Primary Care Providers</i></p> <p><b>Practitioner Type:</b><br/><input checked="" type="checkbox"/> MD/DO</p>  | <p><b>Requirements/Criteria:</b><br/>Completion of a Family Practice, Pediatric, Internal Medicine or an Obstetrics and Gynecology residency is necessary in order to be credentialed as a PCP.</p> <p><b>Exceptions:</b> Providers who do not meet the above criteria, must have practiced exclusively in the Primary Care setting for at least five (5) consecutive years to be considered a General Practitioner eligible to be a PCP and have members assigned. PCPs who were credentialed prior to 04/01/02 and who meet the above criteria will be allowed to continue as PCPs.</p> <p>General Practitioner must agree as part of their credentialing to provide evidence of participation in at least twelve hours a year in prior authorized primary care CME activity, upon request.</p>   |   |
| <p><i>Advanced Practice Professionals (formerly Mid-Levels): PA, NP, CNM, CRNA</i></p> <ul style="list-style-type: none"> <li>• <i>Education and Training</i></li> <li>• <i>Provider Information Letter</i></li> </ul> <p><b>Verification Time Limit:</b><br/><i>Prior to the credentialing decision.</i></p> <p><b>Practitioner Type:</b><br/><input checked="" type="checkbox"/> PA, NP, CNM, CRNA</p> | <p><b>Requirement:</b> Successful completion from a relevant professional school.</p> <p><b>Specialty Training:</b> Mid-level training is variable. Not only are there differences between Nurse Practitioners and Physician Assistants, but there are significant differences between the programs themselves. In addition, some mid-levels go on to receive formal “specialty” training in areas like OB, peds, surgery, ortho, oncology, etc.. KHS will require either 6 months formal training in a program or one year of full-time experience in the field which credentialing is requested.</p> <p><b>Supervising Physician Agreement:</b> Designated Physician Supervisor(s) with signed supervision agreement per group affiliation</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b><br/>Professional School directly, AMA Masterfile, National Student Clearinghouse for non-physician providers or appropriate board/registry if board performs primary source verification education &amp; is confirmed annually.</p> <p><b>Criteria:</b> 1) Primary source verification without red flags.</p> <p><b>Exceptions:</b> None</p> | <p>✓ Initial Credentialing</p> <p>✓ Initial Credentialing<br/>✓ Upon newly reported</p> |

**PROVIDER-SPECIFIC CREDENTIALING CRITERIA**  
**Practitioners / Mid-Levels-Advanced Practice Practitioners**

LIPs – Licensed Independent Practitioners  
APP – Advanced Practice Providers (Mid-Levels)

| Data Element   | Requirement/Criteria/Verification Source  | Credentialing Instance  |
|--|---|---|
| <p><i>Residents (Moonlighting)</i><br/><i>Scope of Practice</i></p> <p><b>Practitioner Type:</b><br/><input checked="" type="checkbox"/> MD/DO</p>   | <p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>A. Application Form</li> <li>B. Current and valid Post-Graduate California Licensure *Must apply in advanced for full California Physician &amp; Surgeon’s licensure prior to completion of residency otherwise the resident will be terminated upon expiration date of Post-Training License.</li> <li>C. Current and valid DEA</li> <li>D. Professional liability coverage of at least \$1,000,000.00 per occurrence and \$3,000,000.00 annual aggregate, covering all of the procedures or services the provider expects to perform for KFHC</li> <li>E. Signed letter of permission to moonlight by Residency Program Director</li> <li>F. Under Existing Contracted Provider Group</li> </ul> <p><b>Primary Source:</b> applicable state licensing or certifying agency via verbal, written or internet/electronic method; DEA Office of Diversion Control, AMA Masterfile, AOA Official Osteopathic Masterfile.</p>  |   |
| <p><i>Hospital Clinical Privileges (CMS/DHCS/DMHC)</i></p> <p><b>Verification Time Limit:</b><br/>180 calendar days at time of the decision.</p> <p><b>Practitioner Type:</b><br/><input checked="" type="checkbox"/> MD/DO<br/><input checked="" type="checkbox"/> DPM<br/><input checked="" type="checkbox"/> CRNA</p> | <p><b>Requirement:</b> Practitioner must have clinical privileges in good standing. Practitioner must indicate their current hospital affiliation or admitting privileges at a participating hospital (Source: Medicare Managed Care Manual, Chapter 6 § 60.3; All Plan Letter (APL) 22-013 and DMHC Tag 6/09/14)<br/>Formal inpatient coverage arrangements in a written and dated letter delineating the inpatient coverage is sufficient and Contracted Ambulatory Surgery Centers may also satisfy this requirement if provider does not utilize the hospital.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> verbal, written or internet/electronic verification directly with the institution, hospital letter or directory which must include include current status (e.g. unrestricted or restricted), type of admitting privileges (e.g. Active, Courtesy, temporary), and practitioner specialty.</p> <p><b>Exceptions:</b> *Specialties deemed by KHS not to have hospital privileges and are documented to be limited to outpatient services include: Dermatology, Podiatry, Ophthalmology, Chiropractor, Psychiatry, Optometry, Physical Medicine &amp; Rehabilitation, Radiology, Pain Medicine, Behavioral Health Providers, and/or practice limited to outpatient services only, including Mid-Level Providers</p> | <ul style="list-style-type: none"> <li>✓ Initial Credentialing</li> <li>✓ Recredentialing</li> <li>✓ Upon newly reported</li> </ul> |

**PROVIDER-SPECIFIC CREDENTIALING CRITERIA  
Practitioners / Mid-Levels-Advanced Practice Practitioners**

LIPs – Licensed Independent Practitioners  
APP – Advanced Practice Providers (Mid-Levels)

| Data Element  | Requirement/Criteria/Verification Source   | Credentialing Instance  |
|---|--|---|
| <p><b>Work History</b></p> <p><b>Verification Time Limit:</b><br/>180 calendar days at time of the decision.</p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> LIPs<br/> <input checked="" type="checkbox"/> APP/Non-Physician Medical Practitioner<br/> <input checked="" type="checkbox"/> Other practitioner and non-practitioner types with State Licensure or professional certification</p>   | <p><b>Requirement:</b> A minimum of five (5) years work history will be included in the initial credentialing file on the application or curriculum vitae. Relevant work history includes work history as a health professional in month/year beginning and month/year end dates.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> Documented on application or curriculum vitae/resume in month/year format.</p> <p><b>Criteria:</b> 1) If practitioner has practiced less than 5-years, work history begins at the time of initial licensure date. 2) If the practitioner has had continuous employment for five years or more with no gap, providing the year is sufficient. 3) If gap in employment exceeds six (6)-months, but less than 1-year, the provider clarifies the gap verbally or in writing/email. 4) If the gap in employment exceeds one (1)-year the provider must clarify in writing and the organization documents review.</p> <p><b>Exceptions:</b> Academic, Unpaid voluntary work, or unrelated to practice of medicine or health care.</p>   | <p>✓ Initial Credentialing</p>  |
| <p><b>NPDB (National Practitioner Data Bank) and Continuous Query (CQ)</b></p> <p><b>Verification Time Limit:</b><br/>180 calendar days at time of the decision.</p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> LIPs<br/> <input checked="" type="checkbox"/> APP/Non-Physician Medical Practitioner<br/> <input checked="" type="checkbox"/> Other practitioner and non-practitioner types with State Licensure or professional certification</p> | <p><b>Description:</b> Provider specific medical malpractice payments, licensure/disciplinary actions, adverse professional review actions taken by a health care entity, adverse actions affecting professional society membership, specific exclusions from State and Federal Programs (including Medicare/Medi-Cal), civil judgments, criminal convictions, and contract terminations.</p> <p><b>Requirements: Verification of issues profiled in the NPDB Report</b></p> <p><b>Criteria: NPDB Reports no activity for the provider – Any NPDB Reports are submitted to the Chief Medical Officer for review and determination.</b></p> <p><b>Initial Review</b> – The Credentialing Staff will enroll all newly credentialed providers into NPDB Continuous Query.</p> <p><b>Recredentialing</b> - The Credentialing Staff will re-enroll all current credentialed providers into NPDB Continuous Query on annual basis and extract summary for recredentialing profile.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> National Practitioner Data Bank (NPDB)</p> <p><b>Criteria for malpractice cases:</b><br/> <b>Initial:</b> NPDB Reports no activity of the past five (5) years of malpractice or professional liability claims history that resulted in settlement or judgment paid on behalf of the practitioner.<br/> <b>Recredentialing</b> - Verification of the past three (3) years or since last credentialing cycle.</p> | <p>✓ Initial Credentialing<br/>                 ✓ Recredentialing<br/>                 ✓ <b>Ongoing</b> - Continuous Enrollment</p> |



**PROVIDER-SPECIFIC CREDENTIALING CRITERIA**  
**Practitioners / Mid-Levels-Advanced Practice Practitioners**

LIPs – Licensed Independent Practitioners  
APP – Advanced Practice Providers (Mid-Levels)

| Data Element  | Requirement/Criteria/Verification Source  | Credentialing Instance  |
|---|---|---|
| <p><b>Sanction Information:</b><br/><i>Medicare, Medi-Cal, OIG/LEIE Database, DHCS Restricted Provider List and EPLS/SAM</i></p> <p><b>Verification Time Limit:</b><br/>180 calendar days at time of the decision.</p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> LIPs<br/> <input checked="" type="checkbox"/> APP/Non-Physician Medical Practitioner<br/> <input checked="" type="checkbox"/> Other practitioner and non-practitioner types with State Licensure or professional certification</p> | <p><b>Requirement:</b> Eligibility in good standing to provide services to Medicare and Medi-Cal beneficiaries. KHS will query the required state and federal databases to ensure there are no providers who have been sanctioned, restricted, terminated or debarred from any state or federal agency/registry.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> NPDB, OIG-Office of the Inspector General LEIE Database, CMS Medicare Opt Out Affidavit, DHCS Medi-Cal Suspended/Ineligible List, DHCS Restricted Provider List (RPD) and the SAM-System for Award Management Database.</p> <p><b>Exceptions:</b> None.</p>  | <ul style="list-style-type: none"> <li>✓ Initial Credentialing</li> <li>✓ Recredentialing</li> <li>✓ Continuous Query</li> </ul>              |
| <p><b>DHCS Medi-Cal Fee-For-Service Proof of enrollment or applicable alternate enrollment process, when applicable</b></p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> Practitioner &amp; Provider Types as Per DHCS State Level Resource Listing who have a State Pathway for Enrollment</p>  | <p><b>Requirement:</b> Proof of Medi-Cal Fee-for-Service screening, enrollment and approval with the Department of Health Care Services (DHCS) as defined by the DHCS All Plan Letter 22-013 and/or within the established process outlined in KHS Policy &amp; Procedure 4.43-P “Medi-Cal Enrollment Policy” for those practitioner and provider types where there is a state pathway for enrollment.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> CHHS Portal for Enrolled Medi-Cal Fee For Service Provider; Copy of welcome/approval letter from DHCS; DHCS Medi-Cal Ordering, Referring &amp; Prescribing (ORP) Portal; Other health plan attestation of enrollment at KHS discretion.</p> <p><b>Exceptions:</b> When there is no state pathway or KHS, at their discretion, chooses to screen and enroll at the plan level or other Managed Care health plan approval.</p> | <ul style="list-style-type: none"> <li>✓ Initial Credentialing</li> <li>✓ Recredentialing</li> <li>✓ Changes in Group Affiliations</li> </ul> |
| <p><b>Professional Liability Coverage</b></p> <p><b>Verification Time Limit:</b><br/><i>Prior to the credentialing decision.</i></p> <p><b>Practitioner Type:</b><br/> <input checked="" type="checkbox"/> LIPs</p>   | <p><b>Requirement:</b> Professional liability coverage of at least \$1,000,000.00 per occurrence and \$3,000,000.00 annual aggregate, covering designated specialty or services the provider expects to perform for KFHC members. <b>Certificate of Insurance must include the name of the provider(s) covered under that certificate. If certificate is a group policy, the declaration page or group roster with list of providers covered is acceptable. *Self-Insured Policies must also indicate the provider’s name or group roster of covered providers.</b></p>   | <ul style="list-style-type: none"> <li>✓ Initial Credentialing</li> <li>✓ Recredentialing</li> <li>✓ Changes in Group Affiliations</li> </ul> |

**PROVIDER-SPECIFIC CREDENTIALING CRITERIA**  
**Practitioners / Mid-Levels-Advanced Practice Practitioners**

LIPs – Licensed Independent Practitioners  
APP – Advanced Practice Providers (Mid-Levels)

| Data Element  | Requirement/Criteria/Verification Source   | Credentialing Instance  |
|---|--|---|
| <input checked="" type="checkbox"/> APP/Non-Physician Medical Practitioner<br><input checked="" type="checkbox"/> Other practitioner and non-practitioner types with State Licensure or professional certification                        | <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> Copy of Certificate Face Sheet, Federal Tort Letter, or if the practitioner’s malpractice insurance coverage is current and is provided in the application, it must be current as of the date when the practitioner signed the attestation and include the amount of coverage the practitioner has on the date when the attestation was signed. If the practitioner does not have current malpractice coverage, then it is acceptable to include future coverage with the effective and expiration dates.</p> <p><b>Exceptions:</b> None</p> |   |
| <p><b>Facility Site Review</b></p> <p><b>Verification Time Limit:</b><br/><i>Prior to the credentialing decision</i></p> <input checked="" type="checkbox"/> PCPs<br><input checked="" type="checkbox"/> OB/GYN who are SPD member’s PCP, | <p><b>Requirement:</b> Satisfactory site audit (is required for all primary care providers and OB/GYNs serving as an SPD member’s PCP. It is necessary to have a minimum passing score of 80% and a completed CAP.</p> <p><b>Primary Source/Contracted Agent of Primary Source/NCQA Accepted Source:</b> KHS QI Dept / FSR Database</p> <p><b>Exceptions:</b> As required or determined by QI Policy and Procedure</p>   | <p>✓ Initial Credentialing<br/>                     ✓ Recredentialing</p> |
| <p><b>Contract:</b> Provider Service Agreement, Facility Agreement and Pharmacy Agreement</p> <input checked="" type="checkbox"/> All Contract Providers  | <p><b>Requirement:</b> Signed contract between KHS and the provider to provide health care services to KFHC Members.</p> <p>Support Documents Includes:</p> <ul style="list-style-type: none"> <li>• Contract pre-review criteria</li> <li>• W9</li> <li>• 274 Group and Site Forms</li> <li>• Roster of Providers, if applicable</li> </ul>   | <p>✓ Initial Credentialing</p>  |



---

## MEMORANDUM

---

**TO:** Kern Health Systems Board of Directors  
**FROM:** Martha Tasinga, MD, MPH, MBA  
**SUBJECT:** Chief Medical Officer Report  
**DATE:** December 14, 2023

---

### **Background**

The Chief Medical Officer's presentation provides an update on the Population Health Management (PHM) programs, clinical services utilizations, and Medi-Cal Managed Care Accountability (MCAS) Measures. In addition to the presentation a detailed dashboard is included (Attachments A – E) that showcase the medical management performance. The dashboard categories include physician, inpatient, outpatient hospital, and emergency room services.

Kern Health Systems (KHS) is also thrilled to share news of a new milestone reached with the MCAS performance. On October 31, 2023 KHS met with DHCS to review MCAS CAP activities and was notified that KHS has progressed from the red tier to the orange tier. Please see attached MCAS dashboard that outlines detailed performance metrics for KHS.

### **Requested Action**

Receive and File.

# Chief Medical Officer Report

Board of Directors  
December 14, 2023



**Martha Tasinga, MD, MPH, MBA**  
Chief Medical Officer



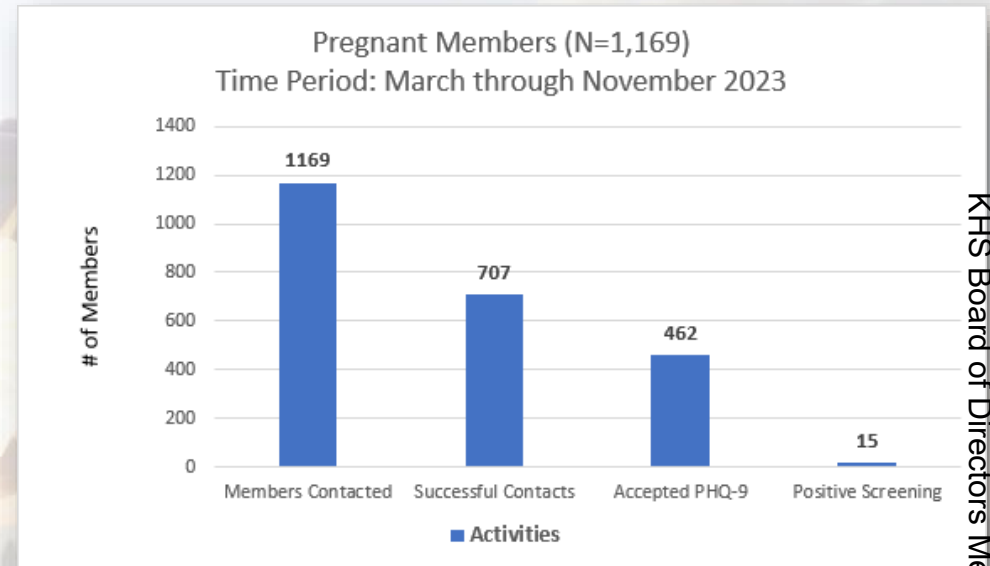
# KHS PHM Programs

## Maternal Mental Health

According to the Centers for Disease Control (CDC) and Prevention, about 1 in 8 women suffers symptoms of postpartum depression.

On March 2023, we implemented PHQ-9 screening to all pregnant and postpartum women and identify those who are at risk for depression and need further evaluation. The PHQ-9 is a nine-item questionnaire, and an evidenced-based tool is administered to screen for depression in adult.

- There were 1,169 pregnant and postpartum moms who were contacted.
- Of the 1,169, there were 707 (60%) successful contacts.
- Of the 707 successful contacts, there were 462 (40%) mothers who accepted to be screened for depression.
- Of the 462 who were screened, there were 15 positive screening and referred to Behavioral Health for further interventions.



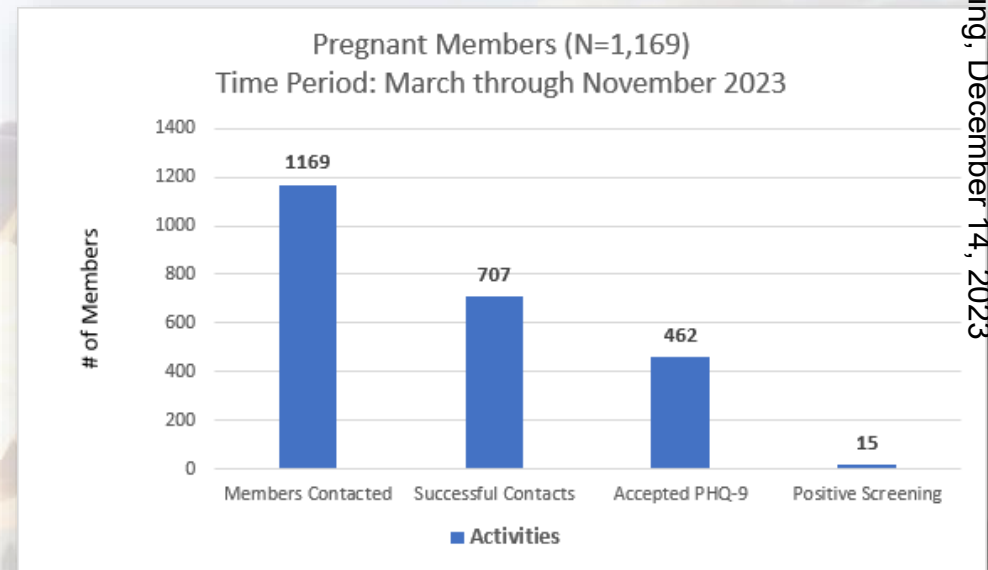
# KHS PHM Programs (*continued*)

## Integration of Community Health Workers (CHWs)

On April 2023, the Integration of Community Health Workers in Population Health Management (PHM) Department was implemented.

This integration allows us to find hard-to-reach populations, safety check and health education so they can be connected to Care Management and Care Coordination Services and to their Primary Care Physician.

- From April through November 2023, there were 142 members who were referred to the CHWs. Some members were enrolled in our Complex Care Management and others were enrolled in the Major Organ Transplant Program.
- Of the 142 referrals, there were 92 successful contacts with the members.
- This is an overall 64% success rate.
- As a result of these successful contacts, Member's case remained open for continuation of Care Management services.
- In the past, we three attempts were made before closing these referrals. 2 phone calls attempts are made and a letter is sent to the Member.



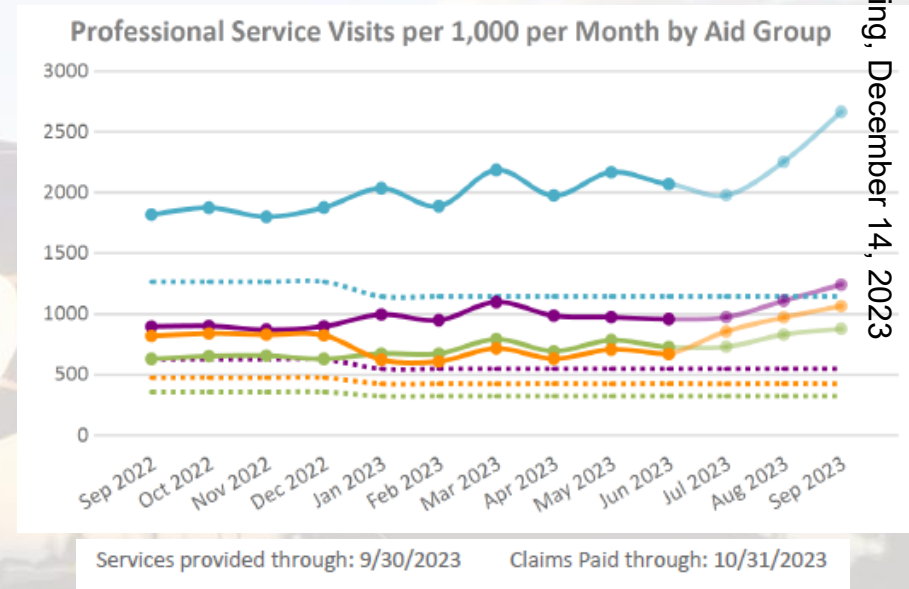
# KHS Performance Comparison

|  | KHS | State ranking | State mean |
|--|-----|---------------|------------|
| Percentage of acute hospital stay discharges which had follow-up ambulatory visit within 7 days post hospital discharge. | 70  | 1             | 36         |
| % of members with ED visits more than PCP visits(lower is better)  | 10  | 9             | 10         |
| Percentage of members who had at least one primary care visit within a 12-month period                                   | 70  | 3             | 36         |
| Percentage of members eligible for CCM who are successfully enrolled in the CCM program                                  | 72  | 3             | 26         |



# Professional Services Utilization

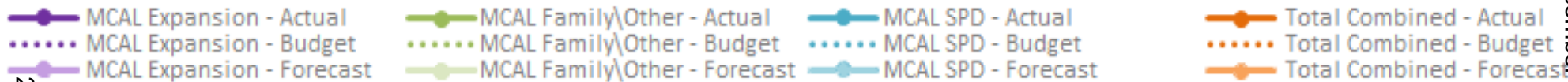
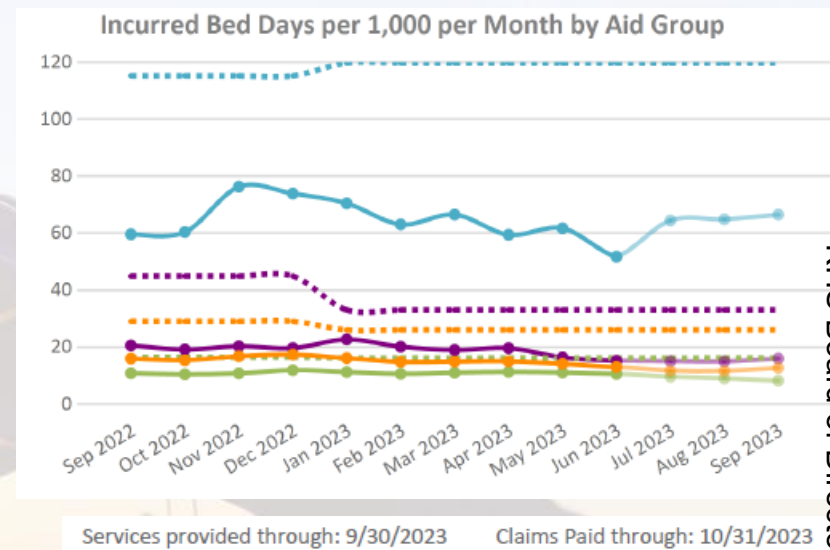
- Professional visits PMPM for all Aid codes remain stable through September despite SPDs continuing to use more of these services than projected.
- Cost per professional visit has remained stable
- The number of professional visits per 1,000members per month continue to trend up
- Started in August and there could be many factors causing this
  - *Back to school*
  - *Our push to close gaps in care*
  - *Might continue through January with the flu season.*
- Top 3 diagnosis**
  - *Wellness Visits*
  - *Hypertension*
  - *Diabetes*





# Inpatient utilization

- Inpatient cost for all aid codes remained stable and close to projection through September 2023
- Bed days per 1,000 members per month for the SPDs is leveling off
- Overall average length of stay for all Aide codes in the Acute hospital continue to be below our projections through September 2023.
- Top 4 reasons for inpatient stay are related to pregnancy and delivery. (average 400 deliveries every month)
- Most inpatient stays are at Kern Medical and BMH




# Hospital Outpatient Utilization

These are services provided in the outpatient section of the hospital. However, it also includes patients who are admitted to the hospital for observation usually less than 2 days LOS

Top diagnosis for utilization of these services in descending order

 **Sepsis**

 **Other urinary tract infection**

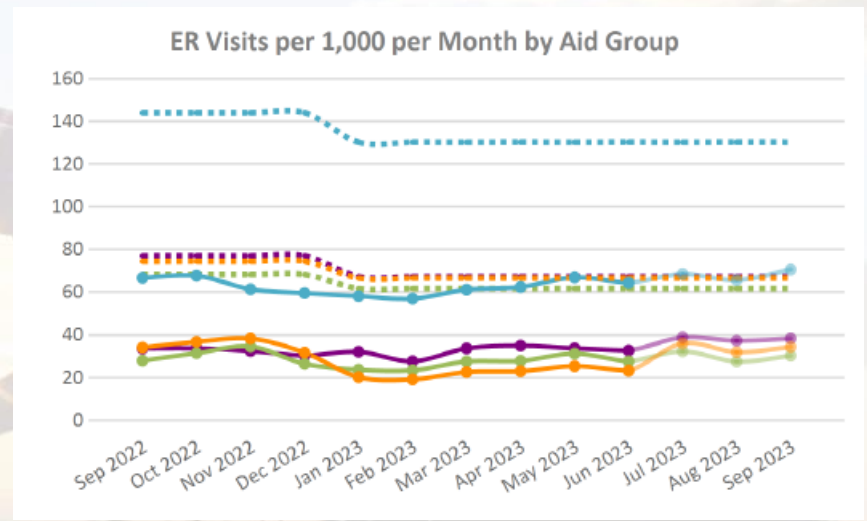
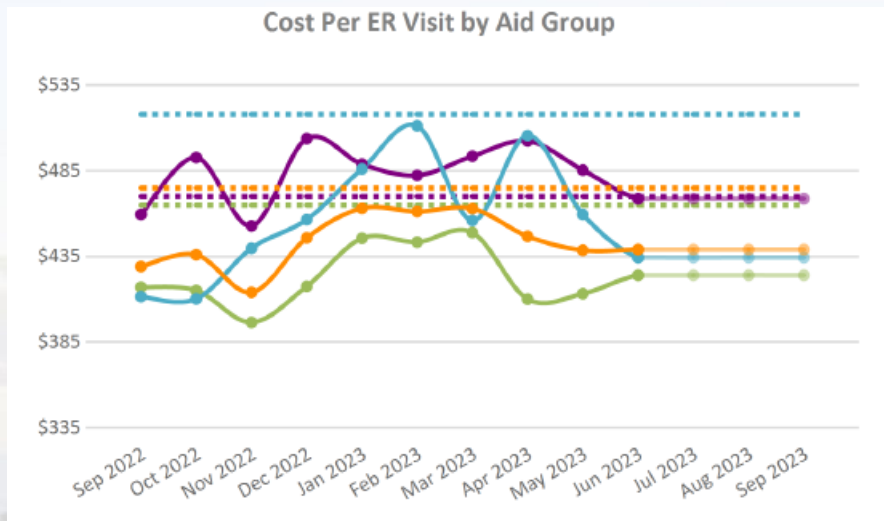
 **Chronic Kidney/end stage kidney disease**

 **Hypertension**



# Emergency Room Visits

Below projections cost per ER visit and visits per 1,000 per month by AID codes



Services provided through: 9/30/2023      Claims Paid through: 10/31/2023

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- MCAL Expansion - Budget
- MCAL Family\Other - Budget
- MCAL SPD - Budget
- Total Combined - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

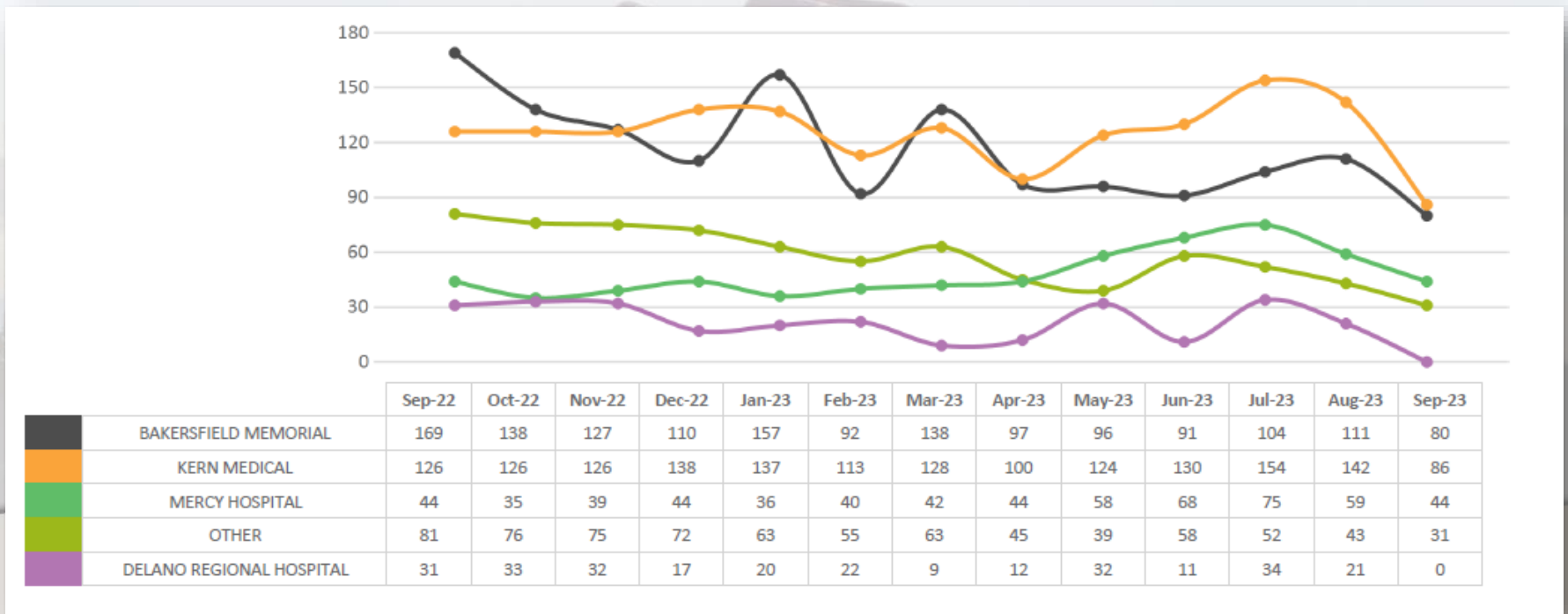
# Emergency Room Visits *(continued)*

September 2023, Top diagnoses for ED visit in descending order of frequency



# OB Services

- Primary C/Section average for September 2023 is 12% compared to CA goal of 23%
- Top hospitals for deliveries
  - Kern Medical Hospital
  - Bakersfield memorial hospital



# Medi-Cal Managed Care Accountability (MCAS) Update

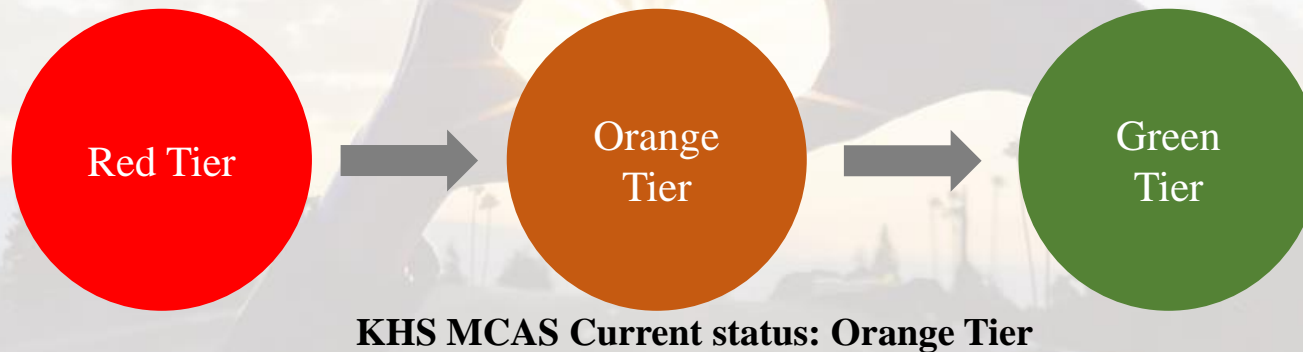


# KHS | DHCS MCAS Update

Department of Health Care Services (DHCS) Leadership Meeting

- October 31, 2023
- KHS met with DHCS to review our MCAS CAP activities
- KHS MCAS performance moved from Red Tier to Orange Tier

KHS continuing to push many measures to MPL by anchor date of 12/31/2023



# MCAS Measures: How are we doing?

## 18 measure held to MPL | Reference Attachment E for details

- 3 measure meeting MPL
  - Asthma Medication Ratio (AMR)
  - Breast Cancer Screening (BCS)
  - Topical Fluoride for Children (TFL-CH)
- 5 measures within 5% of MPL
  - Child and Adolescent Well – Care Visits (CIS-10)
  - Immunizations for Adolescents (IMA-2)
  - Well-Child Visits (W30-2+)
  - Chlamydia Screening in Women (CHL)
  - Cervical Cancer Screening (CCS)
- 10 measures did not meet MPL
- 16 of the 18 measures increased compared to last year same time
- 2 of the 18 measures decreased compared to last year same time





# You + Us = a better day!

**For additional information, please contact:**

**Martha Tasinga, MD MPH MBA**

**Chief Medical Officer**



**Attachment A**

**Kern Health Systems**

**KHS Medical Management  
Performance Dashboard  
(Critical Performance Measurements)**

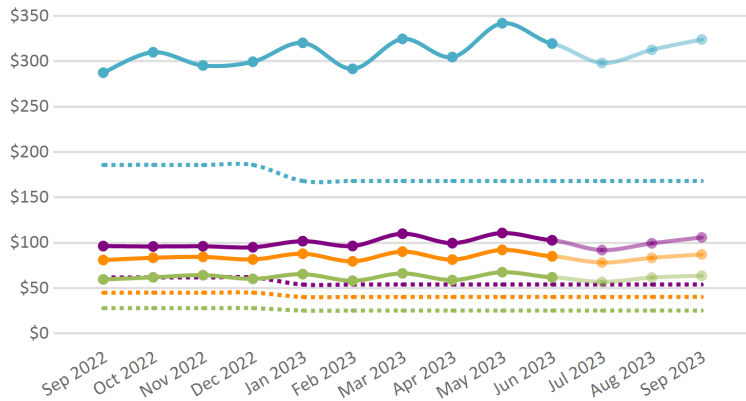


## Physician Services

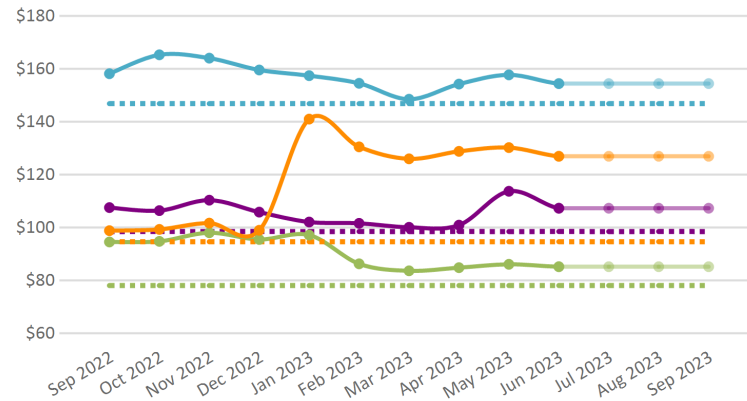
(Includes: Primary Care Physician Services, Referral Specialty Services, Other Professional Services and Urgent Care)

- MCAL Expansion - Actual    
 ● MCAL Family\Other - Actual    
 ● MCAL SPD - Actual    
 ● Total Combined - Actual
- ⋯ MCAL Expansion - Budget    
 ⋯ MCAL Family\Other - Budget    
 ⋯ MCAL SPD - Budget    
 ⋯ Total Combined - Budget
- MCAL Expansion - Forecast    
 ● MCAL Family\Other - Forecast    
 ● MCAL SPD - Forecast    
 ● Total Combined - Forecast

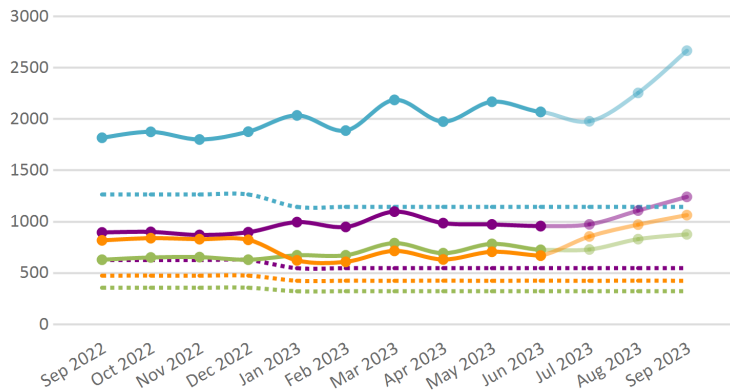
**Professional Services Incurred by Aid Group PMPM**



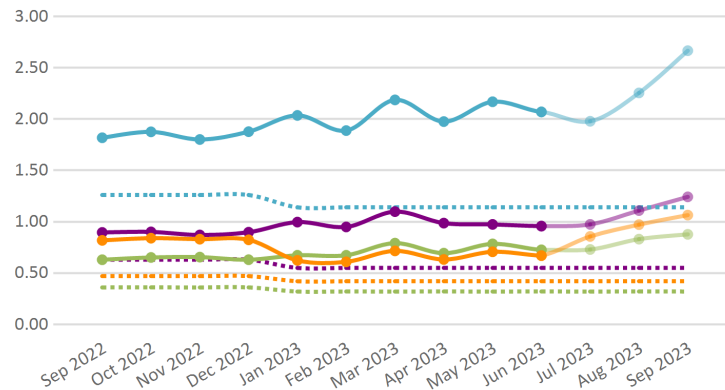
**Cost per Professional Service Visit by Aid Group**



**Professional Service Visits per 1,000 per Month by Aid Group**



**Professional Service Visits per Member per Month by Aid Group**



Services provided through: 9/30/2023

Claims Paid through: 10/31/2023

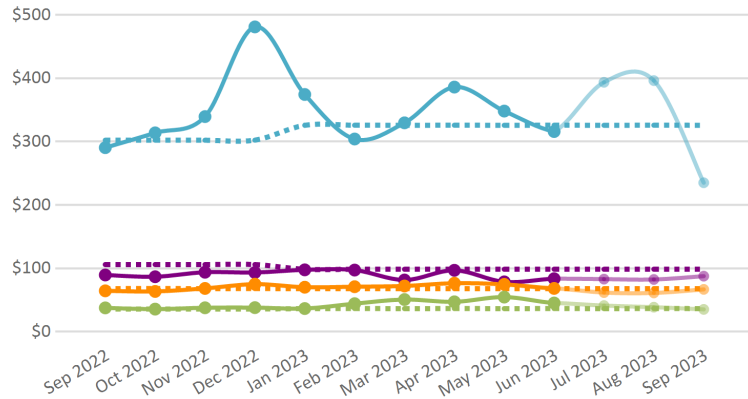


# Inpatient

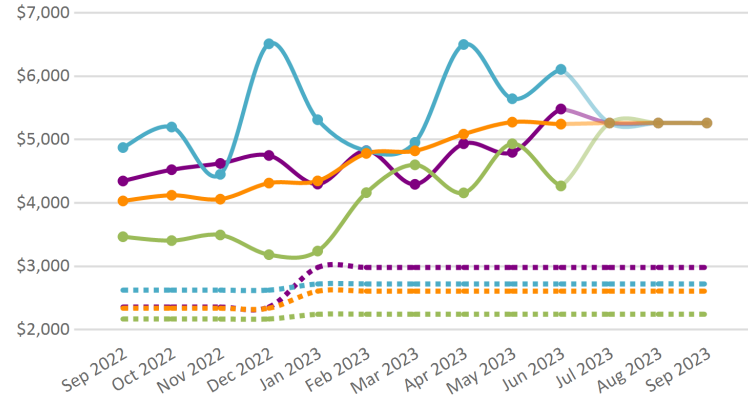
(Includes: Inpatient Hospital Claims)

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- MCAL Expansion - Budget
- MCAL Family\Other - Budget
- MCAL SPD - Budget
- Total Combined - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

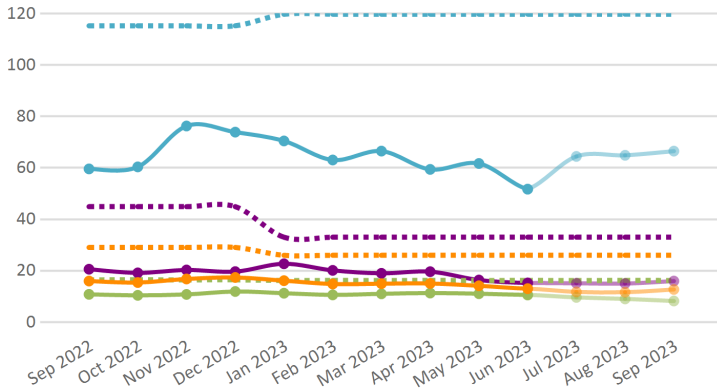
**Inpatient Services Incurred by Aid Group PMPM**



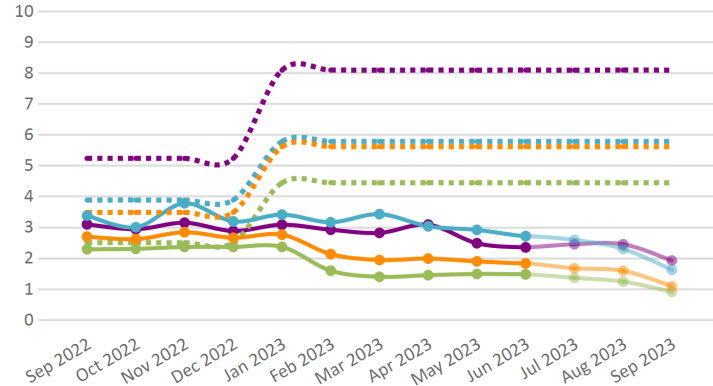
**Cost Per Bed Day by Aid Group**



**Incurred Bed Days per 1,000 per Month by Aid Group**



**Average Length of Stay in Days by Aid Group**



Services provided through: 9/30/2023

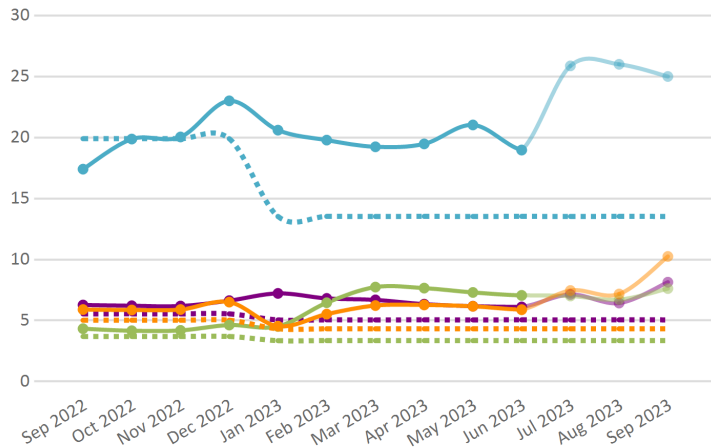
Claims Paid through: 10/31/2023

## Inpatient

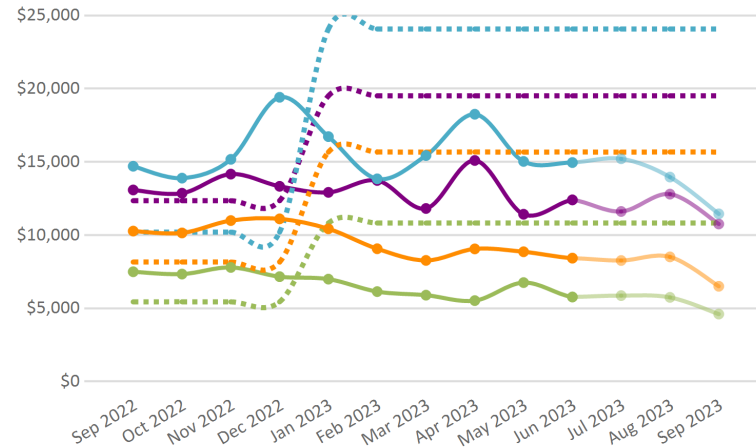
(Includes: Inpatient Hospital Claims)

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- MCAL Expansion - Budget
- MCAL Family\Other - Budget
- MCAL SPD - Budget
- Total Combined - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

**Incurring Admits per 1,000 per Month by Aid Group**



**Cost per Admit by Aid Group**



Services provided through: 9/30/2023

Claims Paid through: 10/31/2023

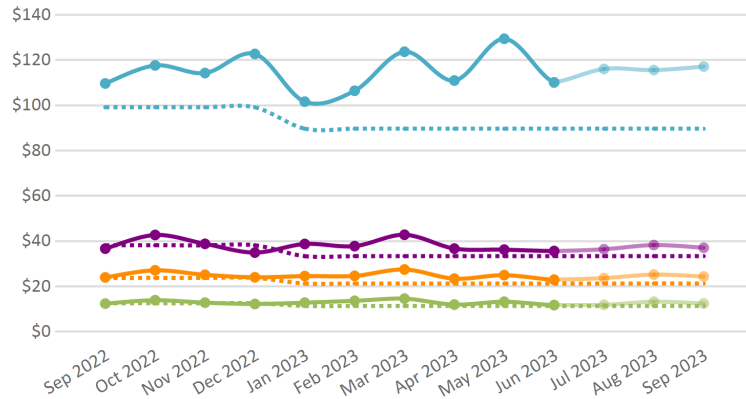


# Outpatient Hospital

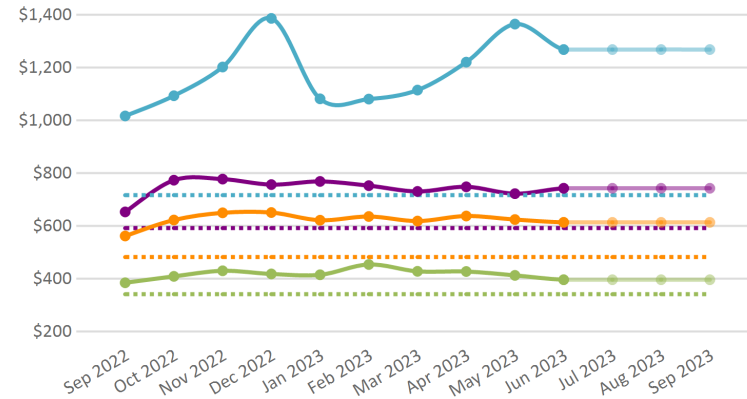
(Includes: Outpatient Diagnostic, Outpatient Surgery, Outpatient Observation, and Outpatient Other)

- MCAL Expansion - Actual
- MCAL Family\Other - Actual
- MCAL SPD - Actual
- Total Combined - Actual
- MCAL Expansion - Budget
- MCAL Family\Other - Budget
- MCAL SPD - Budget
- Total Combined - Budget
- MCAL Expansion - Forecast
- MCAL Family\Other - Forecast
- MCAL SPD - Forecast
- Total Combined - Forecast

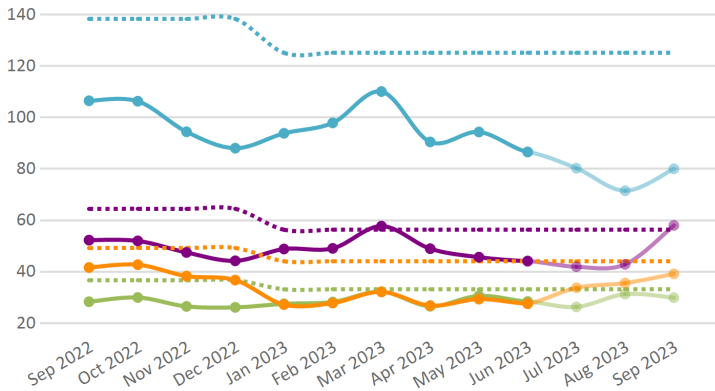
Outpatient Services Incurred by Aid Group PMPM



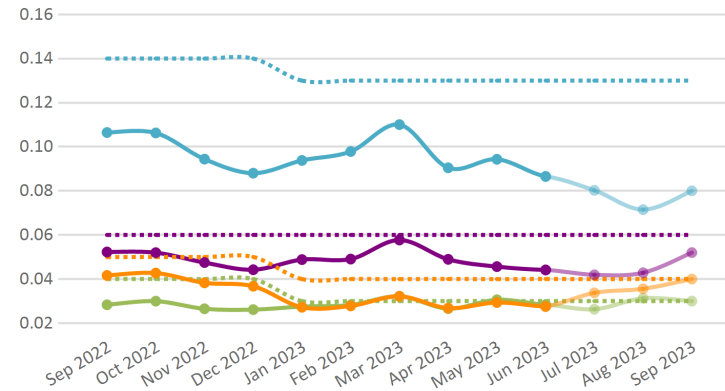
Cost Per Outpatient Visit by Aid Group



Outpatient Visits per 1,000 per Month by Aid Group



Outpatient Visits per Member per Month by Aid Group



Services provided through: 9/30/2023

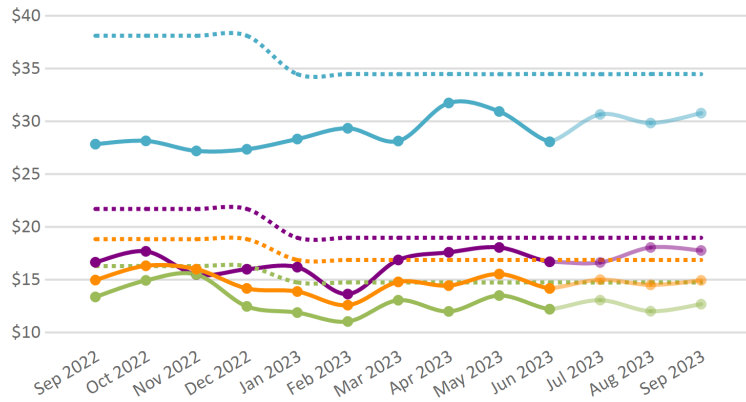
Claims Paid through: 10/31/2023



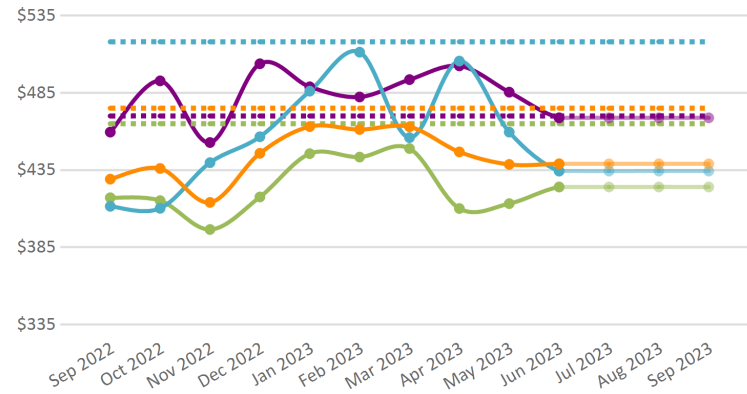
**Emergency Room**

- MCAL Expansion - Actual    
 —●— MCAL Family\Other - Actual    
 —●— MCAL SPD - Actual    
 —●— Total Combined - Actual
- - - MCAL Expansion - Budget    
 - - - MCAL Family\Other - Budget    
 - - - MCAL SPD - Budget    
 - - - Total Combined - Budget
- MCAL Expansion - Forecast    
 —○— MCAL Family\Other - Forecast    
 —○— MCAL SPD - Forecast    
 —○— Total Combined - Forecast

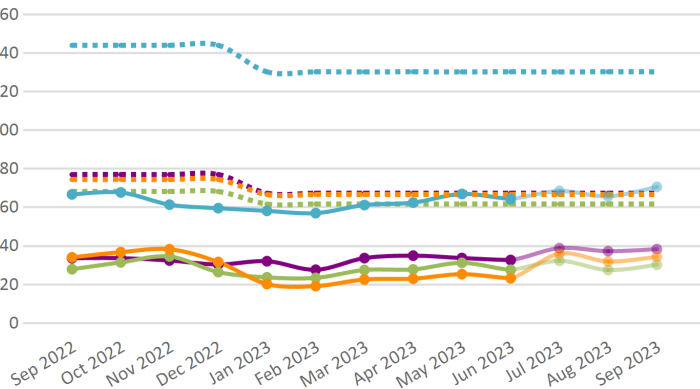
**ER Services Incurred by Aid Group PMPM**



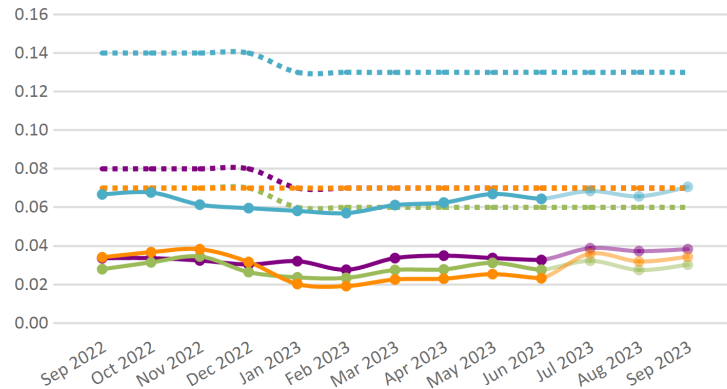
**Cost Per ER Visit by Aid Group**



**ER Visits per 1,000 per Month by Aid Group**



**ER Visits per Member per Month by Aid Group**

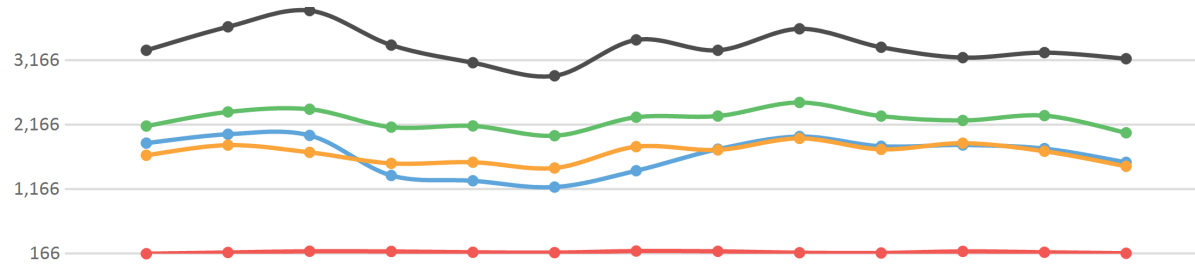


Services provided through: 9/30/2023

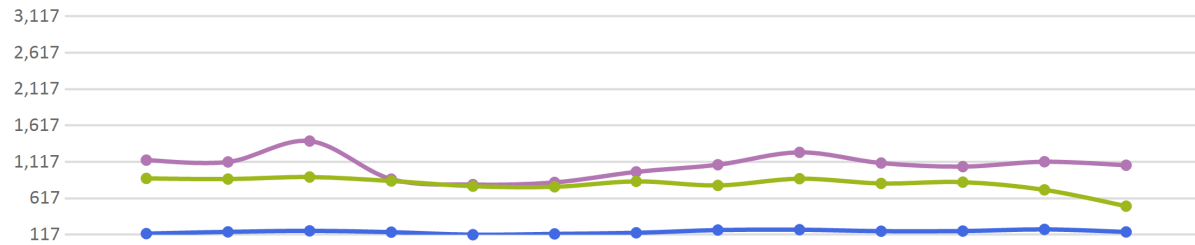
Claims Paid through: 10/31/2023

Emergency Visits by Hospital

Attachment B

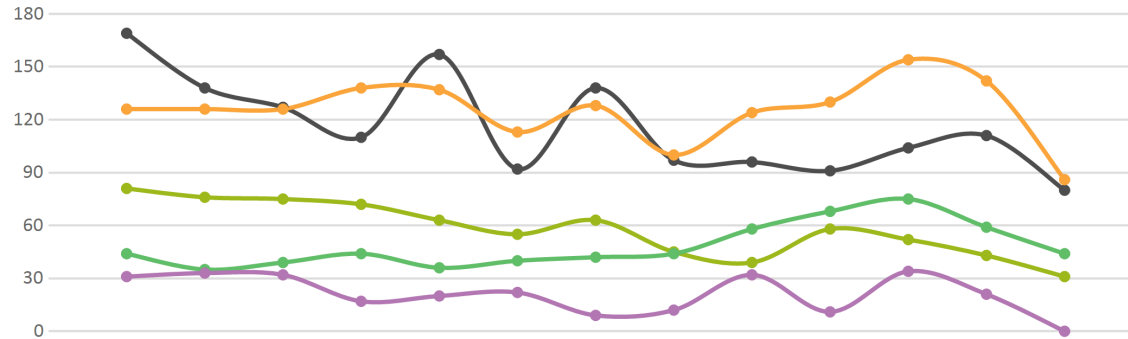


|                        | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BAKERSFIELD MEMORIAL   | 3,323  | 3,687  | 3,939  | 3,403  | 3,130  | 2,927  | 3,484  | 3,323  | 3,656  | 3,370  | 3,209  | 3,287  | 3,192  |
| MERCY HOSPITAL         | 2,147  | 2,366  | 2,408  | 2,130  | 2,149  | 1,997  | 2,284  | 2,302  | 2,513  | 2,301  | 2,234  | 2,309  | 2,042  |
| ADVENTIST HEALTH       | 1,882  | 2,020  | 2,002  | 1,380  | 1,298  | 1,200  | 1,454  | 1,788  | 1,985  | 1,833  | 1,853  | 1,797  | 1,584  |
| KERN MEDICAL           | 1,694  | 1,851  | 1,739  | 1,568  | 1,586  | 1,496  | 1,827  | 1,777  | 1,956  | 1,785  | 1,881  | 1,756  | 1,523  |
| BAKERSFIELD HEART HOSP | 166    | 185    | 204    | 201    | 188    | 183    | 207    | 203    | 181    | 177    | 202    | 188    | 173    |

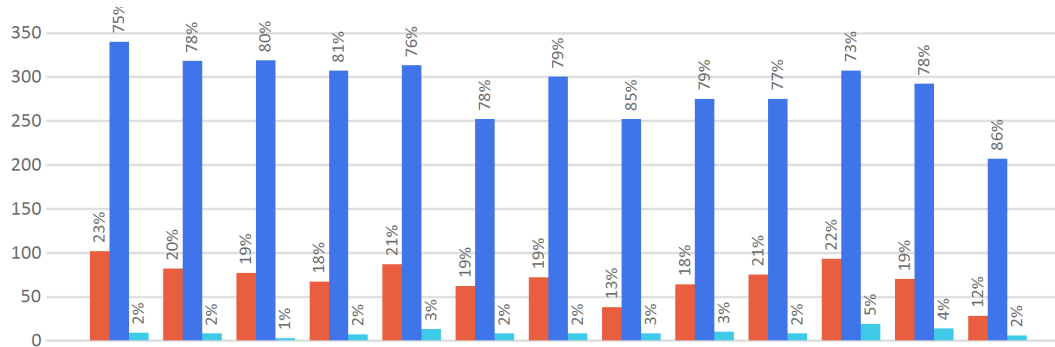


|                          | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| DELANO REGIONAL HOSPITAL | 1,141  | 1,116  | 1,403  | 880    | 805    | 835    | 980    | 1,078  | 1,248  | 1,101  | 1,052  | 1,119  | 1,071  |
| OUT OF AREA              | 890    | 881    | 909    | 855    | 783    | 775    | 849    | 794    | 886    | 821    | 839    | 733    | 509    |
| KERN VALLEY HEALTHCARE   | 132    | 156    | 170    | 152    | 117    | 128    | 143    | 181    | 186    | 165    | 167    | 190    | 155    |



**Obstetrics Metrics**
**Attachment C**


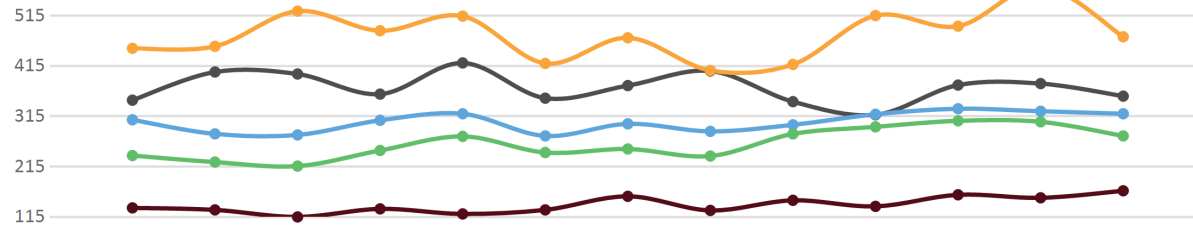
|                          | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| BAKERSFIELD MEMORIAL     | 169    | 138    | 127    | 110    | 157    | 92     | 138    | 97     | 96     | 91     | 104    | 111    | 80     |
| KERN MEDICAL             | 126    | 126    | 126    | 138    | 137    | 113    | 128    | 100    | 124    | 130    | 154    | 142    | 86     |
| MERCY HOSPITAL           | 44     | 35     | 39     | 44     | 36     | 40     | 42     | 44     | 58     | 68     | 75     | 59     | 44     |
| OTHER                    | 81     | 76     | 75     | 72     | 63     | 55     | 63     | 45     | 39     | 58     | 52     | 43     | 31     |
| DELANO REGIONAL HOSPITAL | 31     | 33     | 32     | 17     | 20     | 22     | 9      | 12     | 32     | 11     | 34     | 21     | 0      |



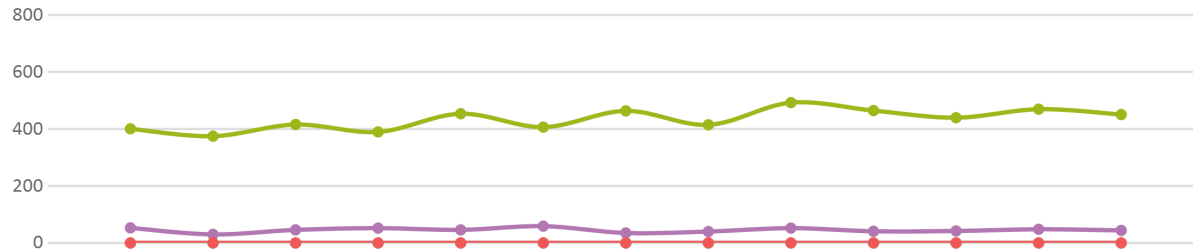
|                             | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| VAGINAL DELIVERY            | 340    | 318    | 319    | 307    | 313    | 252    | 300    | 252    | 275    | 275    | 307    | 292    | 207    |
| C-SECTION DELIVERY          | 102    | 82     | 77     | 67     | 87     | 62     | 72     | 38     | 64     | 75     | 93     | 70     | 28     |
| PREVIOUS C-SECTION DELIVERY | 9      | 8      | 3      | 7      | 13     | 8      | 8      | 8      | 10     | 8      | 19     | 14     | 6      |




Inpatient Admits by Hospital

### Attachment D



|   | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  KERN MEDICAL            | 450    | 454    | 524    | 485    | 514    | 420    | 471    | 406    | 418    | 515    | 494    | 574    | 473    |
|  BAKERSFIELD MEMORIAL    | 347    | 403    | 399    | 359    | 421    | 351    | 376    | 405    | 344    | 318    | 377    | 380    | 355    |
|  ADVENTIST HEALTH        | 308    | 280    | 278    | 307    | 320    | 276    | 300    | 285    | 298    | 319    | 330    | 325    | 320    |
|  MERCY HOSPITAL          | 237    | 224    | 216    | 247    | 275    | 243    | 250    | 236    | 280    | 294    | 306    | 304    | 276    |
|  GOOD SAMARITAN HOSPITAL | 133    | 129    | 115    | 131    | 121    | 129    | 156    | 128    | 148    | 136    | 159    | 153    | 167    |

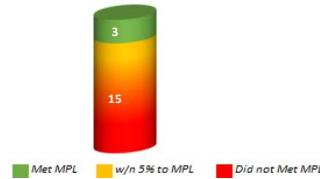


|  | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  BAKERSFIELD HEART HOSP   | 31     | 34     | 34     | 37     | 33     | 47     | 45     | 44     | 53     | 42     | 38     | 74     | 64     |
|  OUT OF AREA              | 401    | 375    | 416    | 390    | 454    | 407    | 464    | 415    | 493    | 465    | 440    | 470    | 451    |
|  DELANO REGIONAL HOSPITAL | 53     | 30     | 46     | 52     | 46     | 59     | 35     | 40     | 52     | 41     | 42     | 48     | 44     |

# Attachment E

## MCAS MY2023 Measure Held to MPL

| Summary:  |    |
|---|----|
| Total Measures held to MPL                        | 18 |
| Did not Met MPL                                   | 15 |
| w/n 5% to MPL                                     | 5  |
| MetMPL  | 3  |
| Measure increased compared to last year same time | 16 |
| Measure decreased compared to last year same time | 2  |



| Measure   |   | Admin/Hybrid/ECDS | MY2023 Rate<br>As of Dec 2023 | MPL Rate | HPL Rate | MY2023 Rate vs MPL | MY 2022 Rate<br>As of Dec 2022 | MY 2022 vs MY2023 |
|---|---|-------------------|-------------------------------|----------|----------|--------------------|--------------------------------|-------------------|
| <b>Behavioral Health Domain Measures</b>  |   |                   |                               |          |          |                    |                                |                   |
| FUM   | Follow-Up After ED Visit for Mental Illness – 30 days*  | Administrative    | 17.08%                        | 54.87%   | 73.26%   | -37.79%            | 16.31%                         | ▲ 0.77%           |
| FUA   | Follow-Up After ED Visit for Substance Abuse – 30 days*   | Administrative    | 12.03%                        | 36.34%   | 53.44%   | -24.31%            | 10.04%                         | ▲ 1.99%           |
| <b>Children's Health Domain Measures</b>  |   |                   |                               |          |          |                    |                                |                   |
| WCV   | Child and Adolescent Well – Care Visits*  | Administrative    | 43.17%                        | 48.07%   | 61.15%   | -4.90%             | 37.20%                         | ▲ 5.97%           |
| CIS-10  | Childhood Immunization Status – Combination 10*   | Hybrid/Admin**    | 19.44%                        | 30.90%   | 45.26%   | -11.46%            | 19.15%                         | ▲ 0.29%           |
| DEV   | Developmental Screening in the First Three Years of Life  | Administrative    | 18.81%                        | 34.70%   | N/A      | -15.89%            | 10.23%                         | ▲ 8.58%           |
| IMA-2   | Immunizations for Adolescents – Combination 2*  | Hybrid/Admin**    | 30.65%                        | 34.31%   | 48.80%   | -3.66%             | 30.38%                         | ▲ 0.27%           |
| LSC   | Lead Screening in Children  | Hybrid/Admin**    | 55.78%                        | 62.79%   | 79.26%   | -7.01%             | 46.89%                         | ▲ 8.89%           |
| TFL-CH  | Topical Fluoride for Children   | Administrative    | 32.54%                        | 19.30%   | N/A      | 13.24%             | 10.30%                         | ▲ 22.24%          |
| W30-6+  | Well-Child Visits in the First 30 Months of Life – 0 to 15 Months – Six or More Well-Child Visits*  | Administrative    | 44.01%                        | 58.38%   | 68.09%   | -14.37%            | 34.54%                         | ▲ 9.47%           |
| W30-2+  | Well-Child Visits in the First 30 Months of Life – 15 to 30 Months – Two or More Well-Child Visits* | Administrative    | 62.58%                        | 66.76%   | 77.78%   | -4.18%             | 54.92%                         | ▲ 7.66%           |
| <b>Chronic Disease Management Domain Measures</b>   |   |                   |                               |          |          |                    |                                |                   |
| AMR   | Asthma Medication Ratio*  | Administrative    | 68.33%                        | 65.61%   | 75.92%   | 2.72%              | 66.17%                         | ▲ 2.16%           |
| CBP   | Controlling High Blood Pressure*  | Hybrid/Admin**    | 43.56%                        | 61.31%   | 72.22%   | -17.75%            | 32.66%                         | ▲ 10.90%          |
| HBD   | Hemoglobin A1c Control for Patients With Diabetes – HbA1c Poor Control (> 9%)*                      | Hybrid/Admin**    | 56.41%                        | 37.96%   | 29.44%   | -18.45%            | 57.54%                         | ▼ -1.13%          |
| <b>Reproductive Health Domain Measures</b>  |   |                   |                               |          |          |                    |                                |                   |
| CHL   | Chlamydia Screening in Women  | Administrative    | 55.23%                        | 56.04%   | 67.39%   | -0.81%             | 53.21%                         | ▲ 2.02%           |
| PPC-Pst   | Prenatal and Postpartum Care: Postpartum Care*  | Hybrid/Admin**    | 72.69%                        | 78.10%   | 84.59%   | -5.41%             | 70.99%                         | ▲ 1.70%           |
| PPC-Pre   | Prenatal and Postpartum Care: Timeliness of Prenatal Care*  | Hybrid/Admin**    | 42.14%                        | 84.23%   | 91.07%   | -42.09%            | 42.39%                         | ▼ -0.25%          |
| <b>Cancer Prevention Domain Measures</b>  |   |                   |                               |          |          |                    |                                |                   |
| BCS-E   | Breast Cancer Screening*  | ECDS & Admin***   | 57.06%                        | 52.60%   | 62.67%   | 4.46%              | 55.23%                         | ▲ 1.83%           |
| CCS   | Cervical Cancer Screening   | Hybrid/Admin**    | 53.54%                        | 57.11%   | 66.48%   | -3.57%             | 50.46%                         | ▲ 3.08%           |
| * Measures must be stratified by race/ethnicity per NCQA categorizations.                                   |   |                   |                               |          |          |                    |                                |                   |
| ** Hybrid/Admin: MCPs/PSPs have the option to choose the methodology for reporting applicable measure rates |   |                   |                               |          |          |                    |                                |                   |
| ▲ Measure Met MPL   |   |                   |                               |          |          |                    |                                |                   |
| ▲ Measure w/n 5% to MPL   |   |                   |                               |          |          |                    |                                |                   |
| ▲ Measure increased compared to last year same time   |   |                   |                               |          |          |                    |                                |                   |
| ▼ Measure decreased compared to last year same time   |   |                   |                               |          |          |                    |                                |                   |

### Asthma Medication Ratio

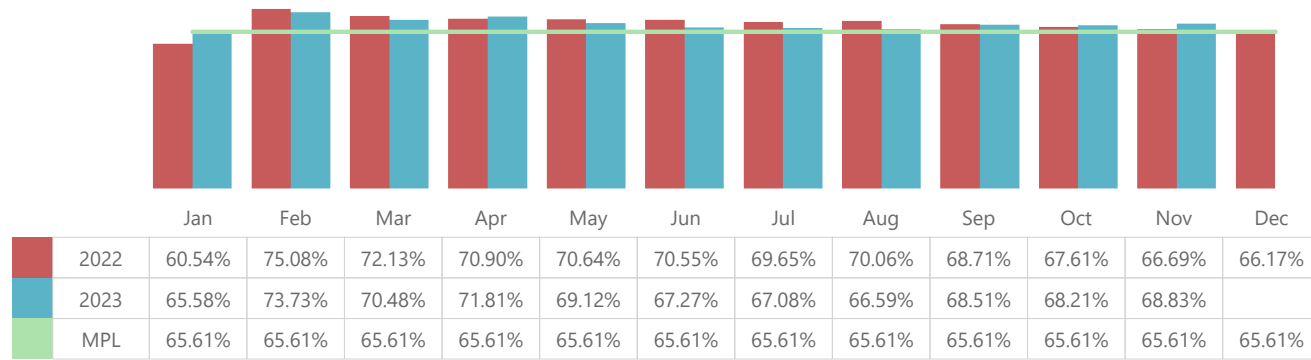
The percentage of members 5–64 years of age who were identified as having persistent asthma and had a ratio of controller medications to total asthma medications of 0.50 or greater during the measurement year.

**AMR**

**Hits needed for MPL**

**0**

Rate: 68.21%  
MPL: 65.61%

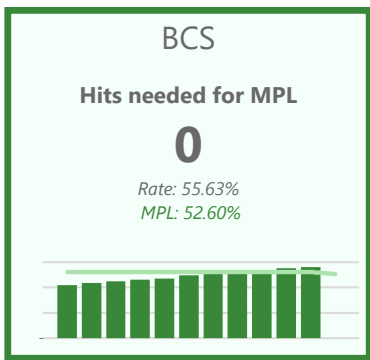


$$\frac{1,045}{1,532}$$



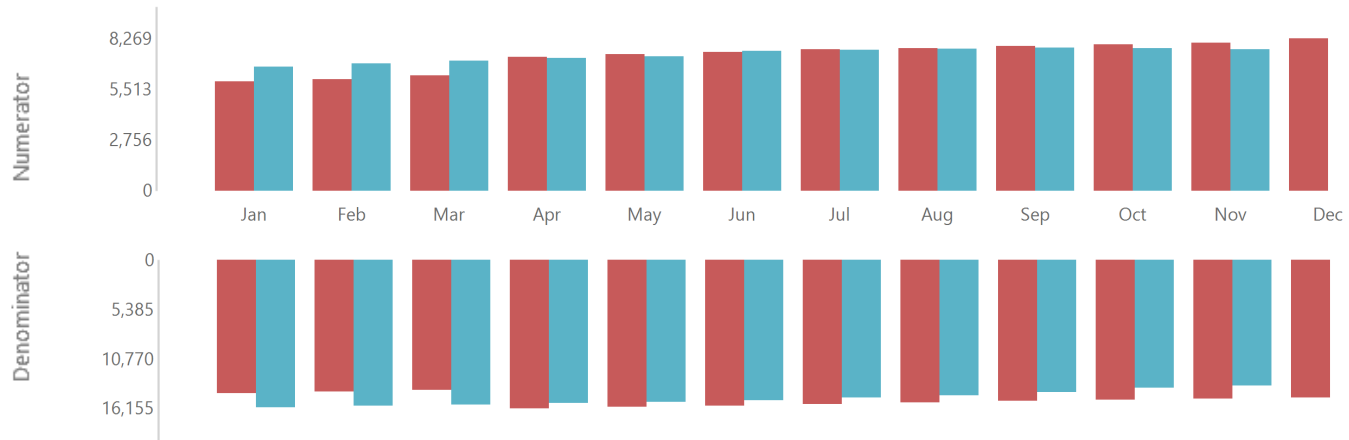
## Breast Cancer Screening

The percentage of women 50–74 years of age who had a mammogram to screen for breast cancer. Measurement period: January 1–December 31.



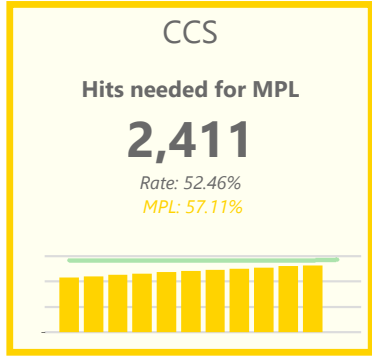
|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 | 41.02% | 42.37% | 44.21% | 45.00% | 46.26% | 47.57% | 48.94% | 49.87% | 51.13% | 52.18% | 53.26% | 55.23% |
| 2023 | 41.95% | 43.55% | 44.97% | 46.30% | 47.22% | 49.59% | 51.15% | 52.41% | 54.02% | 55.63% | 56.32% |        |
| MPL  | 52.60% | 52.60% | 52.60% | 52.60% | 52.60% | 52.60% | 52.60% | 52.60% | 52.60% | 52.60% | 52.60% | 52.60% |

$$\frac{7,747}{13,927}$$



## Cervical Cancer Screening

The percentage of women 21–64 years of age who were screened for cervical cancer using either of the following criteria: • Women 21–64 years of age who had cervical cytology performed within the last 3 years. • Women 30–64 years of age who had cervical high-risk human papillomavirus (hrHPV) testing performed within the last 5 years. • Women 30–64 years of age who had cervical cytology/high-risk human papillomavirus (hrHPV) cotesting within the last 5 years.



|  |      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|--|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 2022 | 39.22% | 39.89% | 41.06% | 41.99% | 43.02% | 43.93% | 45.00% | 46.02% | 47.04% | 47.87% | 48.87% | 50.46% |
|  | 2023 | 43.40% | 44.19% | 45.37% | 46.35% | 47.38% | 48.37% | 49.43% | 50.22% | 51.24% | 52.46% | 53.00% |        |
|  | MPL  | 57.11% | 57.11% | 57.11% | 57.11% | 57.11% | 57.11% | 57.11% | 57.11% | 57.11% | 57.11% | 57.11% | 57.11% |

27,195  


---

51,842



### Childhood Immunization Status

The percentage of children 2 years of age who had four diphtheria, tetanus and acellular pertussis (DTaP); three polio (IPV); one measles, mumps and rubella (MMR); three haemophilus influenza type B (HiB); three hepatitis B (HepB), one chicken pox (VZV); four pneumococcal conjugate (PCV); one hepatitis A (HepA); two or three rotavirus (RV); and two influenza (flu) vaccines by their second birthday. The measure calculates a rate for each vaccine and three combination rates.

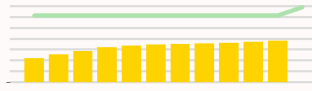
**CIS**

**Hits needed for MPL**

**788**

Rate: 18.65%

MPL: 30.90%



|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 | 11.82% | 13.21% | 14.37% | 15.35% | 16.00% | 17.27% | 17.58% | 17.76% | 18.04% | 18.43% | 18.94% | 19.15% |
| 2023 | 11.04% | 12.93% | 14.34% | 16.13% | 16.92% | 17.47% | 17.74% | 17.89% | 18.07% | 18.65% | 19.24% |        |
| MPL  | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% | 30.90% |

$$\frac{1,200}{6,435}$$



### Immunizations for Adolescents

The percentage of adolescents 13 years of age who had one dose of meningococcal vaccine, one tetanus, diphtheria toxoids and acellular pertussis (Tdap) vaccine, and have completed the human papillomavirus (HPV) vaccine series by their 13th birthday. The measure calculates a rate for each vaccine and two combination rates.

**IMA**

**Hits needed for MPL**

**310**

Rate: 30.05%  
MPL: 34.31%

|      |  | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 |  |        |        |        |        |        |        |        |        |        |        |        |        |
|      |  | 20.30% | 21.45% | 22.40% | 24.07% | 24.81% | 26.36% | 27.21% | 28.75% | 29.12% | 29.51% | 29.85% | 30.38% |
|      |  |        |        |        |        |        |        |        |        |        |        |        |        |
| 2023 |  |        |        |        |        |        |        |        |        |        |        |        |        |
|      |  | 18.94% | 20.59% | 21.93% | 23.64% | 24.51% | 26.37% | 27.52% | 28.74% | 29.60% | 30.05% | 30.37% |        |
|      |  |        |        |        |        |        |        |        |        |        |        |        |        |
| MPL  |  |        |        |        |        |        |        |        |        |        |        |        |        |
|      |  | 34.31% | 34.31% | 34.31% | 34.31% | 34.31% | 34.31% | 34.31% | 34.31% | 34.31% | 34.31% | 34.31% | 34.31% |
|      |  |        |        |        |        |        |        |        |        |        |        |        |        |

$$\frac{2,189}{7,284}$$





## Chlamydia Screening in Women

The percentage of women 16–24 years of age who were identified as sexually active and who had at least one test for chlamydia during the measurement year.

**CHL Adults and Peds**

Hits needed for MPL

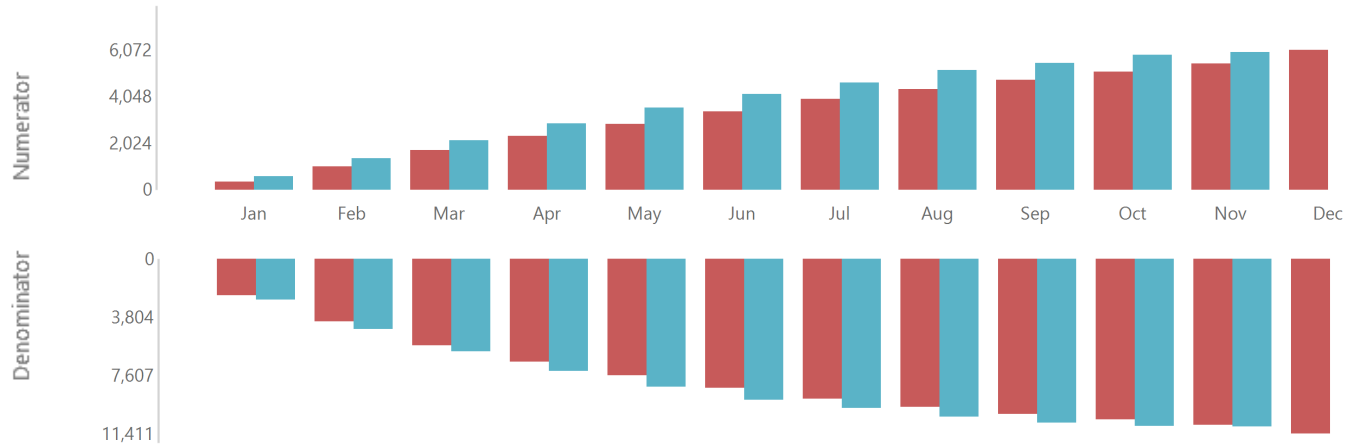
257

Rate: 53.68%

MPL: 56.04%

|  |      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|--|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 2022 | 14.79% | 24.82% | 30.55% | 34.58% | 37.41% | 40.41% | 43.40% | 45.28% | 47.18% | 48.98% | 50.76% | 53.21% |
|  | 2023 | 21.50% | 29.69% | 35.35% | 39.38% | 42.65% | 45.26% | 47.69% | 50.29% | 51.61% | 53.68% | 54.63% |        |
|  | MPL  | 56.04% | 56.04% | 56.04% | 56.04% | 56.04% | 56.04% | 56.04% | 56.04% | 56.04% | 56.04% | 56.04% | 56.04% |

$$\frac{5,863}{10,922}$$



## Lead Screening in Children

The percentage of children 2 years of age who had one or more capillary or venous lead blood test for lead poisoning by their second birthday.

**LSC**

**Hits needed for MPL**

**468**

Rate: 55.53%

MPL: 62.79%

|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 | 36.86% | 38.64% | 39.76% | 40.86% | 42.27% | 43.30% | 44.18% | 45.11% | 45.79% | 46.32% | 46.50% | 46.89% |
| 2023 | 42.64% | 46.09% | 48.51% | 50.07% | 52.51% | 53.47% | 54.06% | 54.96% | 55.11% | 55.53% | 55.61% |        |
| MPL  | 62.79% | 62.79% | 62.79% | 62.79% | 62.79% | 62.79% | 62.79% | 62.79% | 62.79% | 62.79% | 62.79% | 62.79% |

3,585  


---

6,456



### Child and Adolescent Well-Care Visits

The percentage of members 3–21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year.

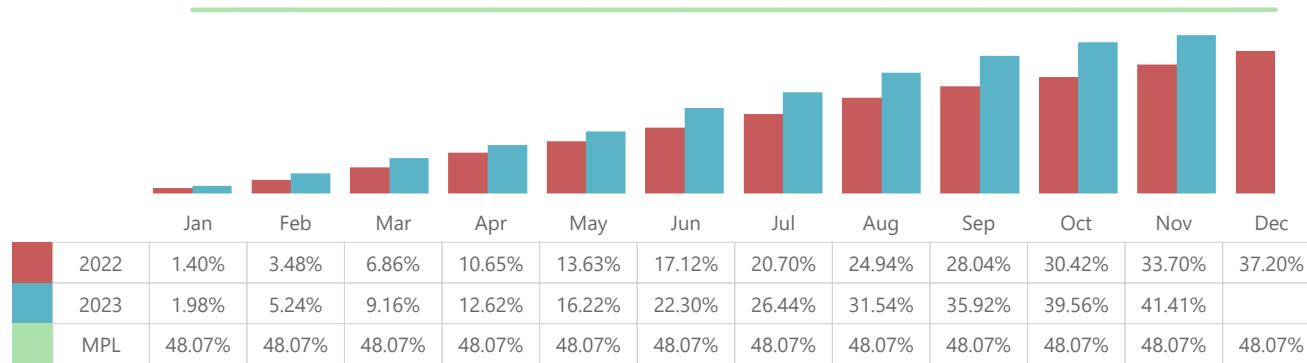
**WCV**

**Hits needed for MPL**

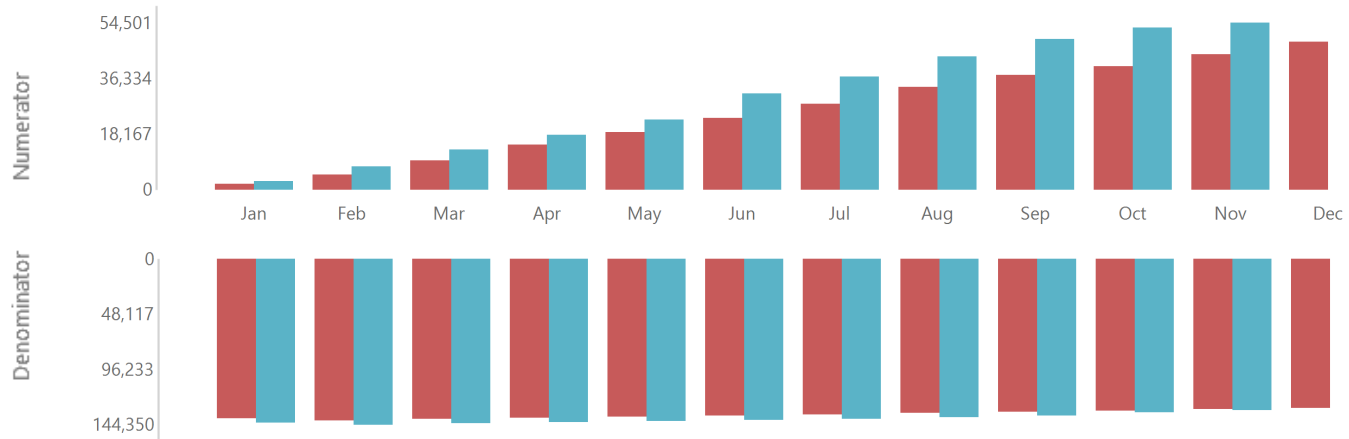
**11,371**

Rate: 39.56%

MPL: 48.07%



$$\frac{52,878}{133,659}$$



## Controlling High Blood Pressure

The percentage of members 18–85 years of age who had a diagnosis of hypertension (HTN) and whose BP was adequately controlled (<140/90 mm Hg) during the measurement year.

**CBP**

**Hits needed for MPL**

**4,487**

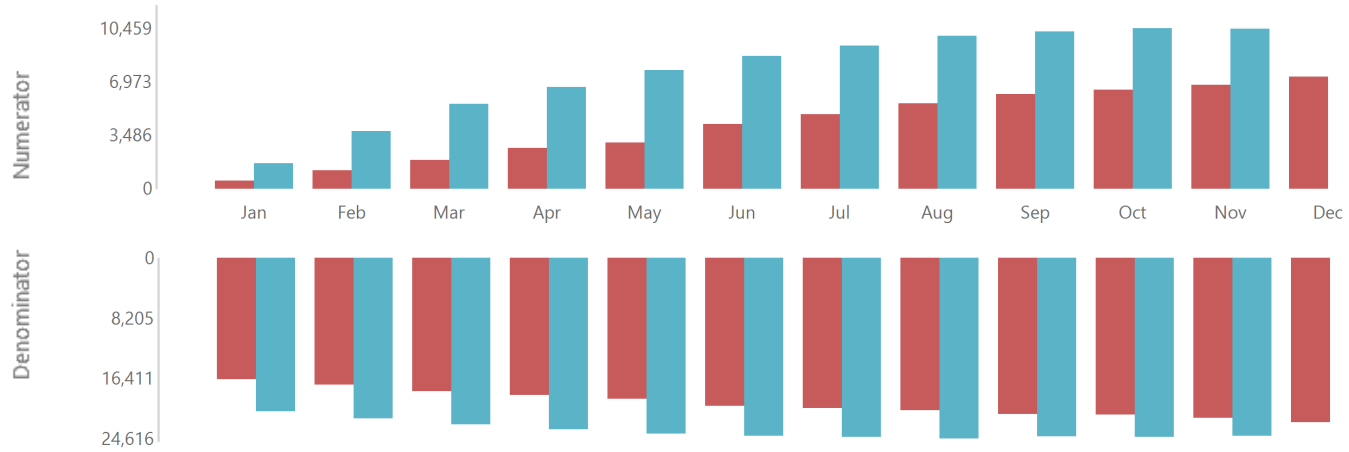
Rate: 42.90%  
MPL: 61.31%

|  |      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|--|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 2022 | 3.15%  | 6.84%  | 10.37% | 14.12% | 15.74% | 20.90% | 23.71% | 26.81% | 29.00% | 30.22% | 31.16% | 32.66% |
|  | 2023 | 7.85%  | 17.19% | 24.42% | 28.47% | 32.36% | 35.72% | 38.24% | 40.51% | 42.21% | 42.90% | 43.08% |        |
|  | MPL  | 61.31% | 61.31% | 61.31% | 61.31% | 61.31% | 61.31% | 61.31% | 61.31% | 61.31% | 61.31% | 61.31% | 61.31% |

10,459  


---

24,379



### Well-Child Visits in the First 30 Months of Life

The percentage of members who had the following number of well-child visits with a PCP during the last 15 months. Well-Child Visits in the First 15 Months. Children who turned 15 months old during the measurement year: Six or more well-child visits.

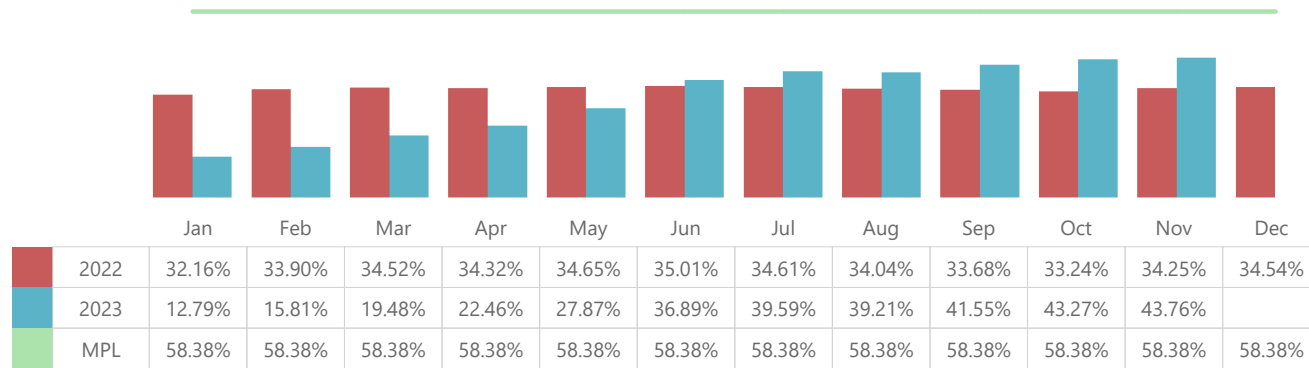
**W30 0 - 15 Months**

Hits needed for MPL

552

Rate: 43.27%

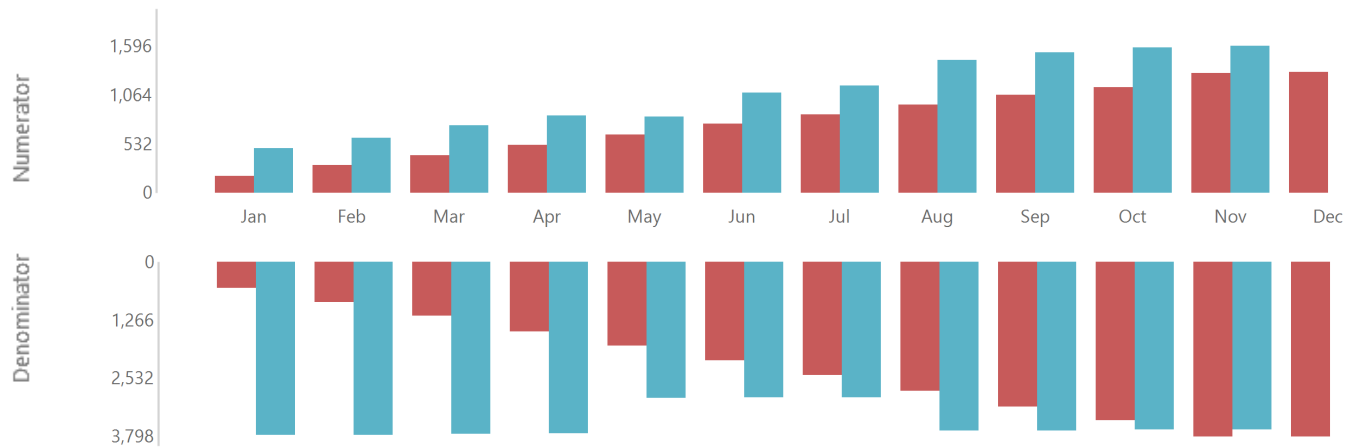
MPL: 58.38%



1,581

---

3,654



## Well-Child Visits in the First 30 Months of Life

The percentage of members who had the following number of well-child visits with a PCP during the last 15 months. Well-Child Visits for Age 15 Months–30 Months. Children who turned 30 months old during the measurement year: Two or more well-child visits.

**W30 15 - 30 Months**

**Hits needed for MPL**

301

Rate: 62.20%

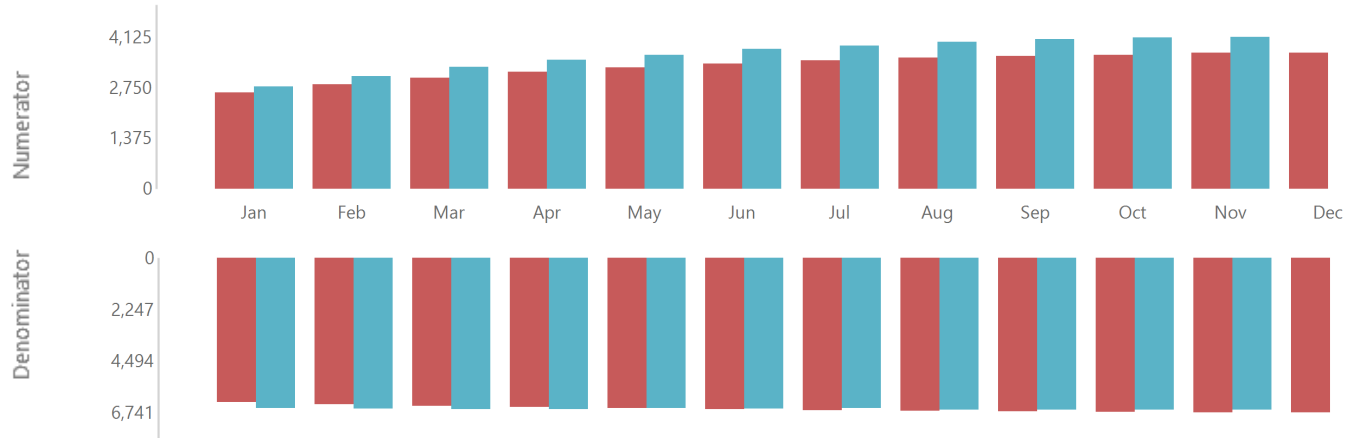
MPL: 66.76%

|      |  | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 |  |        |        |        |        |        |        |        |        |        |        |        |        |
|      |  |        |        |        |        |        |        |        |        |        |        |        |        |
|      |  |        |        |        |        |        |        |        |        |        |        |        |        |
| 2022 |  | 41.60% | 44.67% | 46.61% | 48.86% | 50.34% | 51.49% | 52.65% | 53.34% | 53.95% | 54.28% | 54.84% | 54.92% |
| 2023 |  | 42.49% | 46.54% | 50.24% | 53.15% | 55.58% | 57.89% | 59.44% | 60.40% | 61.68% | 62.20% | 62.43% |        |
| MPL  |  | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% | 66.76% |

4,110

---

6,608



## Prenatal and Postpartum Care

The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year. Timeliness of Prenatal Care. The percentage of deliveries that received a prenatal care visit in the first trimester, on or before the enrollment start date or within 42 days of enrollment in the organization.

**PPC Pre**

**Hits needed for MPL**

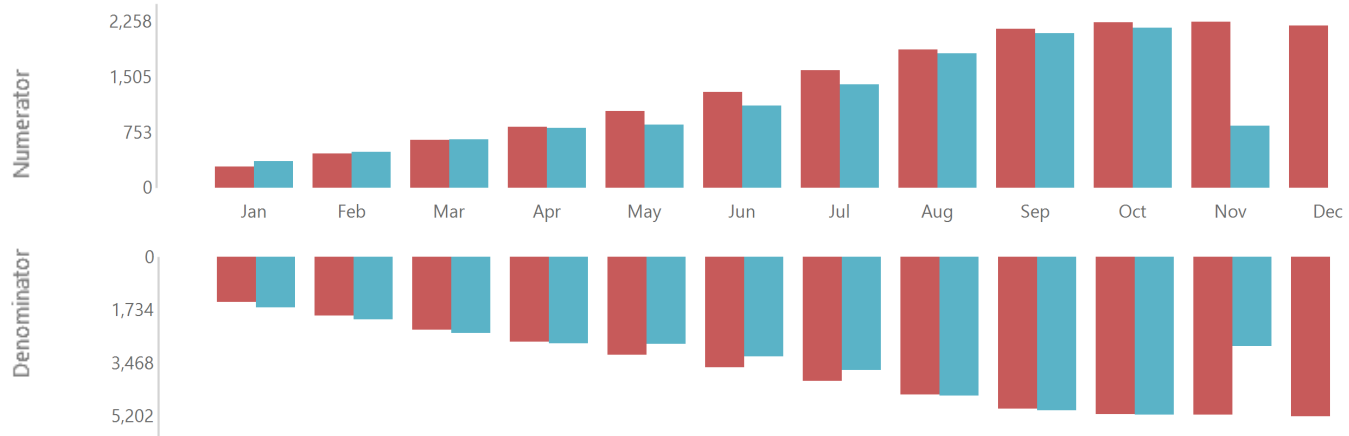
**2,168**

Rate: 42.15%

MPL: 84.23%

|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 | 19.31% | 24.03% | 27.18% | 29.76% | 32.61% | 36.01% | 39.28% | 41.75% | 43.53% | 43.77% | 43.84% | 42.39% |
| 2023 | 21.77% | 23.83% | 26.43% | 28.58% | 30.12% | 34.28% | 37.92% | 40.41% | 41.91% | 42.15% | 28.82% |        |
| MPL  | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% | 84.23% |

$$\frac{2,172}{5,153}$$



## Prenatal and Postpartum Care

The percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year. Postpartum Care. The percentage of deliveries that had a postpartum visit on or between 7 and 84 days after delivery.

**PPC Post**

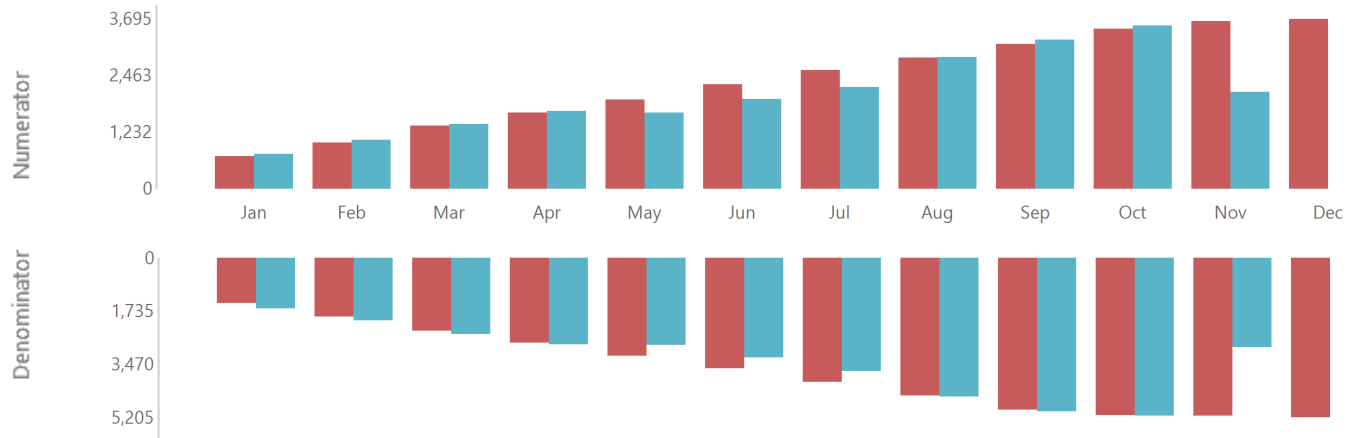
**Hits needed for MPL**

**481**

Rate: 68.75%  
MPL: 78.10%

|  |      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|--|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 2022 | 47.86% | 52.61% | 57.76% | 59.93% | 60.53% | 62.79% | 63.38% | 63.36% | 63.36% | 67.57% | 70.81% | 70.99% |
|  | 2023 | 45.41% | 52.00% | 56.72% | 59.55% | 58.08% | 59.88% | 59.89% | 63.24% | 64.56% | 68.75% | 72.08% |        |
|  | MPL  | 78.10% | 78.10% | 78.10% | 78.10% | 78.10% | 78.10% | 78.10% | 78.10% | 78.10% | 78.10% | 78.10% | 78.10% |

$$\frac{3,545}{5,156}$$





## Follow-Up After Emergency Department Visit for Mental Illness

The percentage of emergency department (ED) visits for members 6 years of age and older with a principal diagnosis of mental illness or intentional self-harm, who had a follow-up visit for mental illness within 30 days of the ED visit.

**FUM 30 Day Follow-up**

**Hits needed for MPL**

219

Rate: 17.55%

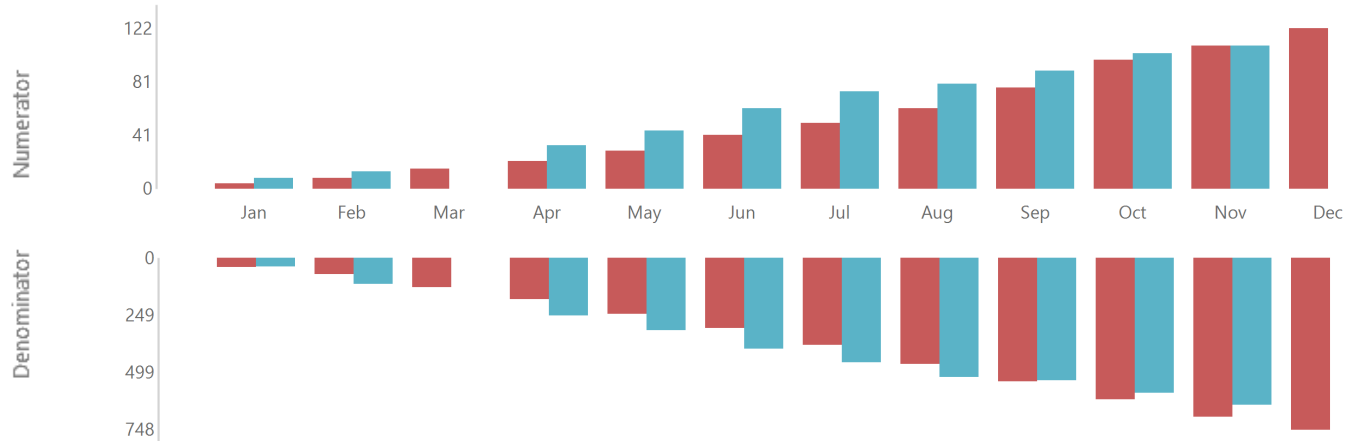
MPL: 54.87%

|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 | 9.76%  | 11.27% | 11.72% | 11.67% | 11.93% | 13.44% | 13.16% | 13.23% | 14.34% | 15.93% | 15.77% | 16.31% |
| 2023 | 20.51% | 11.50% |        | 13.15% | 13.97% | 15.37% | 16.23% | 15.44% | 16.89% | 17.55% | 17.06% |        |
| MPL  | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% | 54.87% |

103

---

587



## Follow-Up After Emergency Department Visit for Substance Use

The percentage of emergency department (ED) visits among members age 13 years and older with a principal diagnosis of substance use disorder (SUD), or any diagnosis of drug overdose, for which there was follow-up within 30 days of the ED visit.

**FUA 30 Day Follow-up**

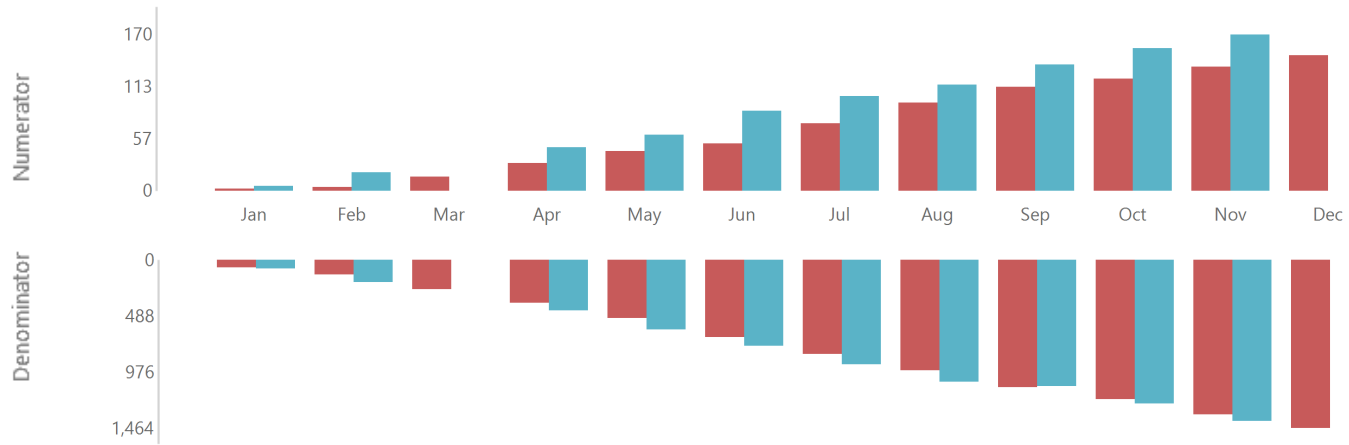
Hits needed for MPL

**299**

Rate: 12.39%  
MPL: 36.34%

|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 | 3.03%  | 3.13%  | 5.91%  | 8.00%  | 8.48%  | 7.60%  | 8.88%  | 10.00% | 10.19% | 10.04% | 10.03% | 10.04% |
| 2023 | 6.41%  | 10.36% |        | 10.71% | 10.05% | 11.58% | 11.33% | 10.81% | 12.45% | 12.39% | 12.13% |        |
| MPL  | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% | 36.34% |

155  
1,251



## Hemoglobin A1c Testing & Control for Patients With Diabetes

The percentage of members 18–75 years of age with diabetes (types 1 and 2) whose hemoglobin A1c (HbA1c) was at the following levels during the measurement year:

- HbA1c Control (<8.0%).
- HbA1c Poor Control (>9.0%).

Inverted Measure - a lower rate is desired for this measure.

**HBD HBA1C >9%**

Hits needed for MPL

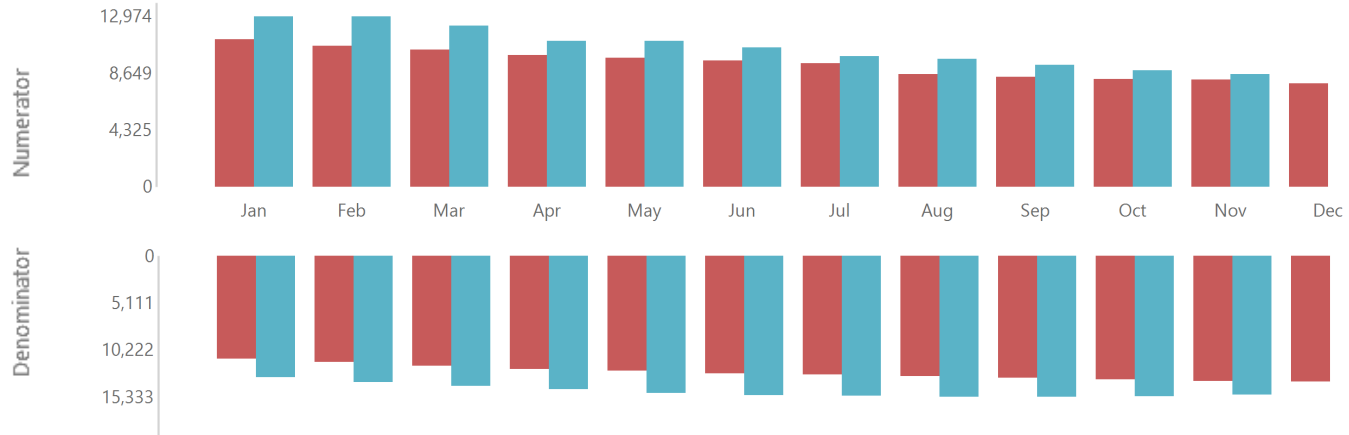
**3,072**

Rate: 58.10%

MPL: 37.96%

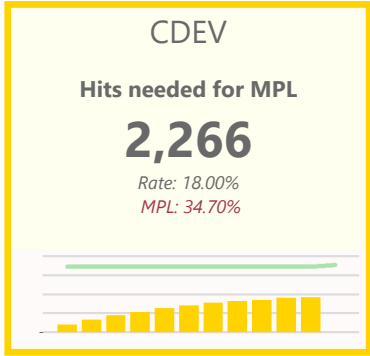
|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 | 99.84% | 92.93% | 87.25% | 81.38% | 78.48% | 75.26% | 72.48% | 65.22% | 63.19% | 60.91% | 60.01% | 57.54% |
| 2023 | 98.02% | 94.51% | 86.56% | 76.35% | 74.48% | 69.80% | 65.31% | 63.51% | 60.59% | 58.10% | 56.78% |        |
| MPL  | 37.96% | 37.96% | 37.96% | 37.96% | 37.96% | 37.96% | 37.96% | 37.96% | 37.96% | 37.96% | 37.96% | 37.96% |

$$\frac{8,866}{15,261}$$



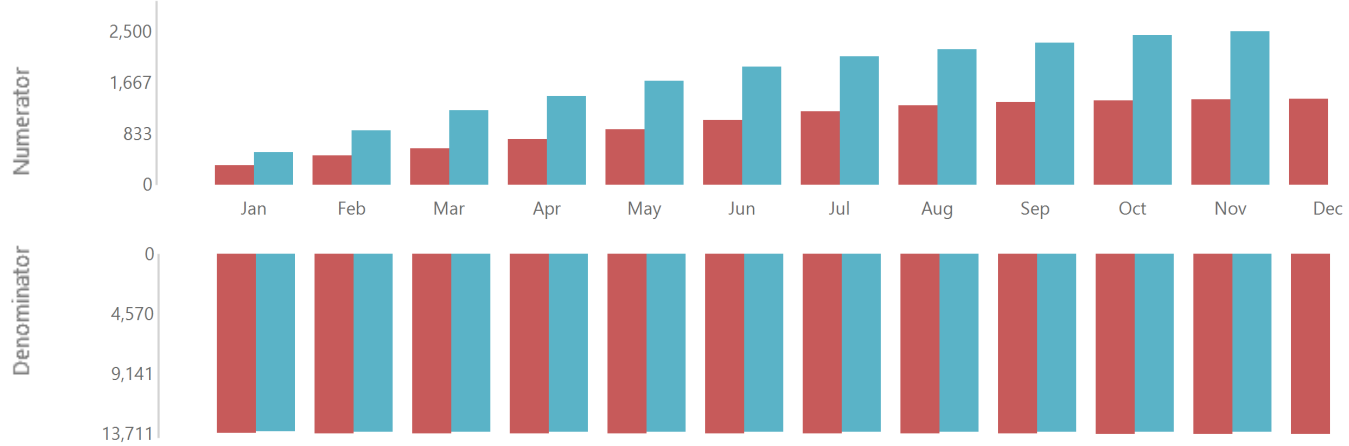
## Developmental Screening in the First 3 Years of Life

The percentage of children screened for risk of developmental, behavioral and social delays using a standardized screening tool in the 12 months preceding or on their first, second, or third birthday. This is a composite measure of screening in the first three years of life that includes three, age-specific indicators assessing whether children are screened in the 12 months preceding or on their first, second or third birthday.



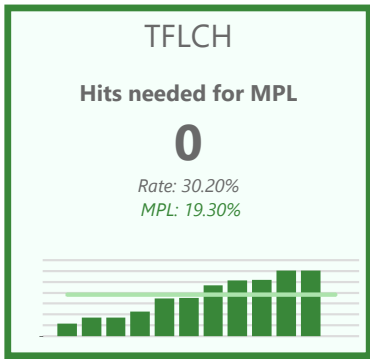
|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022 | 2.34%  | 3.45%  | 4.32%  | 5.41%  | 6.62%  | 7.68%  | 8.73%  | 9.42%  | 9.83%  | 10.00% | 10.15% | 10.23% |
| 2023 | 3.89%  | 6.53%  | 8.95%  | 10.68% | 12.49% | 14.20% | 15.45% | 16.27% | 17.05% | 18.00% | 18.43% |        |
| MPL  | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% | 34.70% |

$$\frac{2,442}{13,568}$$



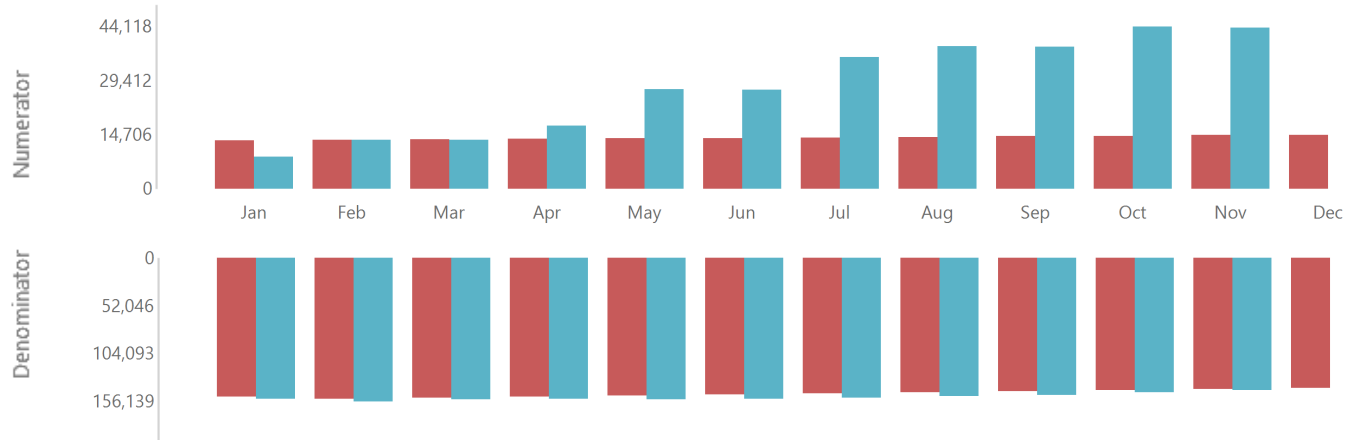
### Prevention: Topical Fluoride for Children

Percentage of children aged 1–21 years who received at least 2 topical fluoride applications as (a) dental OR oral health services, (b) dental services, and (c) oral health services within the reporting year.



|  |      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|--|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 2022 | 8.66%  | 8.68%  | 8.84%  | 9.00%  | 9.11%  | 9.25%  | 9.38%  | 9.58%  | 9.81%  | 9.97%  | 10.19% | 10.30% |
|  | 2023 | 5.68%  | 8.54%  | 8.58%  | 11.21% | 17.49% | 17.55% | 23.50% | 25.69% | 25.90% | 30.20% | 30.39% |        |
|  | MPL  | 19.30% | 19.30% | 19.30% | 19.30% | 19.30% | 19.30% | 19.30% | 19.30% | 19.30% | 19.30% | 19.30% | 19.30% |

44,118  
146,073







# **KERN HEALTH SYSTEMS**

## **Chief Executive Officer's Report**

---

### **Board of Directors Meeting**

**Emily Duran**

**December 14, 2023**

## KHS STRATEGIC PLAN & CEO CORPORATE GOALS UPDATE

---

The KHS strategic plan identifies the key priority areas and serves as a roadmap for 2023 – 2025 for the organization. KHS remains on track in accomplishing both the strategic and corporate goals. Strategic Plan Quarter 4 updates will be provided in Q1 of 2024. Additionally, a comprehensive report of the 2023 Corporate Goals will be provided in Q1 of 2024.

### STATE PROGRAM DEVELOPMENT

---

KHS is preparing for the implementation of several Department of Health Care Services (DHCS) programs coming later in 2023 and 2024:

**Long Term Care (LTC), Phase 2:** Final preparations are underway for the 1/1/24 implementation of the next phase of the Long-Term Care carve-in for Intermediate Care and Subacute Facilities. DHCS was able to share data with KHS in advance of the transition, inclusive of the members KHS would receive absent member choice. The actual members KHS receives will likely change once member choice is factored in, but this allowed Plans to receive data that includes potential member count prior to transition. The claims data DHCS shared on this population included records for 115 members. In late November, DHCS updated the All-Plan Letter (APL) associated with this transition to include additional information on the credentialing process for these specific facilities. DHCS also sent the impacted members a 30-day notice explaining the transition. Ongoing work continues within the internal project team preparing for the implementation of these new services/populations. This includes data sharing preparations, contracting discussions with providers, and preparations for member continuity of services upon transition.

**Medi-Cal Expansion to Adults regardless of immigration status:** Work is on track for the expansion of full-scope Medi-Cal to individuals who are 26 through 49 years of age regardless of immigration status. This population is scheduled to be transitioned and eligible for Medi-Cal Managed Care on 1/1/24. DHCS estimates over 18,000 members in Kern County will transition, and an unknown number of new members will be eligible for Medi-Cal. DHCS shared claims and authorization data for the transitioning population in early November. Information received from DHCS shows over 6,800 members would be “default” assigned to KHS absent member choice. We anticipate receiving more members once Plan Choice is factored in. Plans recently received a draft APL related to sharing data with County Uninsured Programs to ensure PCP continuity for these transitioning members. DHCS sent impacted members a 30-day notice and a Health Plan Choice Packet in late November.

**2024 Health Plan Transitions:** As of 1/1/24, the Medi-Cal Commercial Health Plan option in Kern County will change to Anthem Blue Cross. Kaiser also effectuates a direct contract with DHCS so members who receive care from Kaiser through a subcontract with KHS will transition directly to Kaiser. In November all of Health Net’s ~90,000 Medi-Cal members received a choice packet from DHCS with instructions on selecting a new Plan. KHS also established data sharing with DHCS and Health Net for those members who would be “default” enrolled to KHS. Absent Member Choice, KHS stands to receive an additional 65,000 members as part of this transition. Given this volume, each functional area is evaluating their staffing needs for 2024. The transition requirements are outlined in a DHCS Policy Guide which includes instructions on sharing data with Health Net, continuing services for transitioning



members, provider contracting, and general communication. An internal project team is working to ensure the completion of these requirements and enable a smooth transition for these members.

## **LEGISLATIVE SUMMARY UPDATE**

---

**2023 Year-End State Legislative Summary** – The 2023 State Legislative session ended on 10/14/23 as this was the deadline for the Governor to sign or veto bills. Enacted bills are effective 1/1/24 unless otherwise noted. In total, 203 bills were heard in Health Committees this session. 82 of those bills were being tracked internally. And of those, 23 passed the legislature and were signed by the Governor. Below is a summary of some of the notable bills which passed:

- **SB 525 (Durazo) – Healthcare Worker Minimum Wage Increase** - This bill establishes 3 separate minimum wage schedules for covered health care employees, as defined, depending on the nature of the employer:
  - Health care facility employers with 10k employees to pay minimum wage of \$23 per hour on June 1, 2024, and \$25 an hour on June 1, 2026.
  - Hospitals with a high mix of Medi-Cal and Medicare patients, as well as rural independent hospitals would have to pay workers \$18 an hour in 2024. That rate would increase 3.5% annually until it reaches \$25 in 2033.
  - Community clinics would start the pay increase at \$21 per hour in 2024, rising to \$22 in 2026 and \$25 in 2027.

While this bill doesn't directly apply to KHS as an employer, there are likely to be impacts to the general labor market, provider contracting, and state budget costs.

- **SB 770 (Weiner) – Single Payer “lite”** – SB 770 is this year's single payer bill, though it was opposed by many single-payer proponents for not going far enough. This bill directs CA Health and Human Services (HHS) to pursue discussions with federal officials at CMS on a waiver framework for a “unified healthcare financing system”. By 6/1/25, HHS is to complete a waiver framework and hold a 45-day public comment period. As the details are yet to materialize, KHS and other Health Plans will be engaged in the stakeholder process to inform the waiver concepts.
- **SB 326 (Eggman) – Mental Health Services Act (MHSA) Reform** - If approved by the voters at the March 5, 2024, statewide primary election, this bill would recast the MHSA by, among other things, renaming it the Behavioral Health Services Act (BHSA), expanding it to include treatment of substance use disorders, changing the county planning process, and expanding services for which counties and the state can use funds. The bill would revise the distribution of MHSA moneys, with a focus on housing. The bill would require counties to pursue reimbursement through various channels and would authorize the counties to report issues with managed care plans and insurers to the Department of Managed Health Care. This bill directly impacts the County Mental Health system. That said, KHS staff will be monitoring election results and if passed, work with key stakeholders on the implementation of the new funding brackets with our local county.

- There were a few other bills with impacts to Medi-Cal in the areas of telehealth, biomarker testing, and doula services.

Bills impacting KHS will result in further guidance by DHCS and/or DMHC. Staff will continue to work with our Trade Associations and DHCS/DMHC in developing draft policies where relevant. The final policies are shared with Plans via contract amendment and/or All-Plan Letters that outline specific requirements and timelines. Preparations for the 2024 Legislative Session and State Budget Cycle are also underway. Many bills that were held in 2023 are now 2-year bills which will be reconsidered in 2024. In January the Governor’s office will release their initial draft state budget, and we’re anticipating another tough fiscal year with the state potentially facing large deficits. The final 2023 bill tracking document is included under **Attachment A: Bill Tracking**.

**MCO Tax Update** – The final state budget included over \$19 billion to be generated through the MCO tax in a combination of State and Federal funds through 2026. This is a tax on Health Plans like KHS which draws down additional Federal funds. The previous version of this tax was allowed to expire at the end of 2022. For the first time, a significant portion of those MCO tax funds will be reinvested back into the Medi-Cal program.

Separately, a coalition of doctors, non-profit community health centers, first responders, healthcare workers, hospitals, and community health plans developed a 2024 ballot initiative which would make the MCO tax permanent and prescribe how funds will be used in the Medi-Cal program going forward. Our trade associations LHPC and CAHP are participating in the coalition discussions and are generally supportive of the initiative. The campaign is currently gathering signatures to qualify for the 2024 ballot.

## **2023 – 2024 GRANTS AND INITIATIVES UPDATE**

---

In August of 2023, the Kern Health Systems Board of Directors approved \$20 million in grant and strategic initiative funding to support our health equity goals by expanding access to care in rural communities, improving the quality of care for our members, enhancing provider capacity, and leveraging community partners to understand the challenges that our members face daily while providing solutions and addressing barriers. **Attachment B: Grants and Strategic Initiatives Update**, is a high-level summary of the total applications received, number of approved proposals, and a brief highlight of some of the organizations that will participate in these initiatives.

## **HOMELESS MANAGEMENT INFORMATION SYSTEM UPDATE**

---

The Homeless Management Information System (HMIS) is a database application utilized to collect and aggregate data on the homeless population served in our community. With an increased focus on integrated health care, social services, and homelessness, the HMIS will support data sharing and analytics between the Bakersfield/Kern Continuum of Care (CoC) and Healthcare and Community Service Providers within Kern County.

Effective October 1, 2023, operational responsibilities of the HMIS were transitioned from Kern Behavioral Health & Recovery Services (KBHRS) to Kern Health Systems (KHS). KHS assumed responsibilities and is the lead agency for: Data Operations and System Administration, Customer Operational Support, HMIS Data Quality Committee, and Data System Reporting. **Attachment C: Homeless Management Information System (HMIS)**, provides a high-level summary of the system and data operations.

## 2023 QUALITY CONFERENCE

---

Throughout the last 12 months, KHS has been meeting with the Department of Health Care Services (DHCS) regarding our MCAS quality improvement plan. As a result of the interventions and special quality initiatives we have implemented, DHCS invited Dr. Tasinga and I to be on a presenting panel at the 2023 Quality & Health Equity Conference. The focus of the conference was to share best practices that facilitated advancement of whole-person quality improvement. We participated in the Medi-Cal Managed Care Plan Systemic Quality Transformation panel which was facilitated by Dr. Palav Babaria, MD, who is the DHCS Chief Quality Officer & Deputy Director of Quality and Population Health Management. Many plans were able to relate to our experience of having to identify what strategies have not worked in the past and the realities of the time and resources it will take to turn a low-quality performing plan into a quality focused, high tiered health plan. We shared the “Strike Team” approach that has since been converted and integrated organizationally. Talked about the quality initiatives through our provider grant programs and the data driven projects we implemented. The new Plan Performance team we are formalizing will focus on quality programs year-round, with the intent to shift both accountability and support to our providers and members for their overall health care. It was a great opportunity and glad our quality initiatives and team were recognized.

# Student Behavioral Health Incentive Program (SBHIP)

**\$9.4M** Allocated Funds

**\$5.3M** Awarded

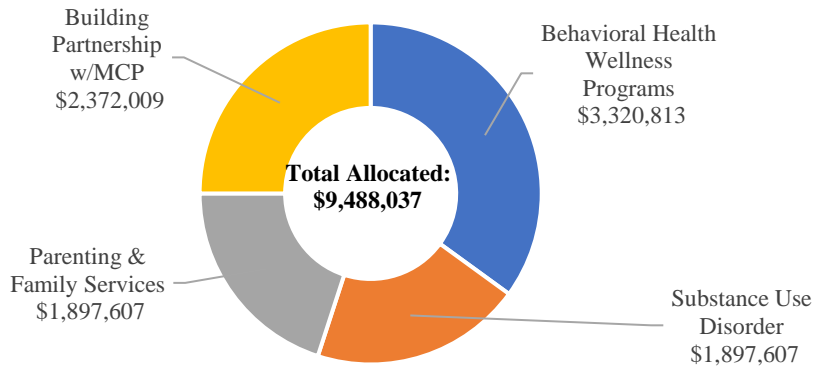
Awardees include **8** Local Education Agencies (LEAs)

**Project Period:** January 1, 2023, to December 31, 2024

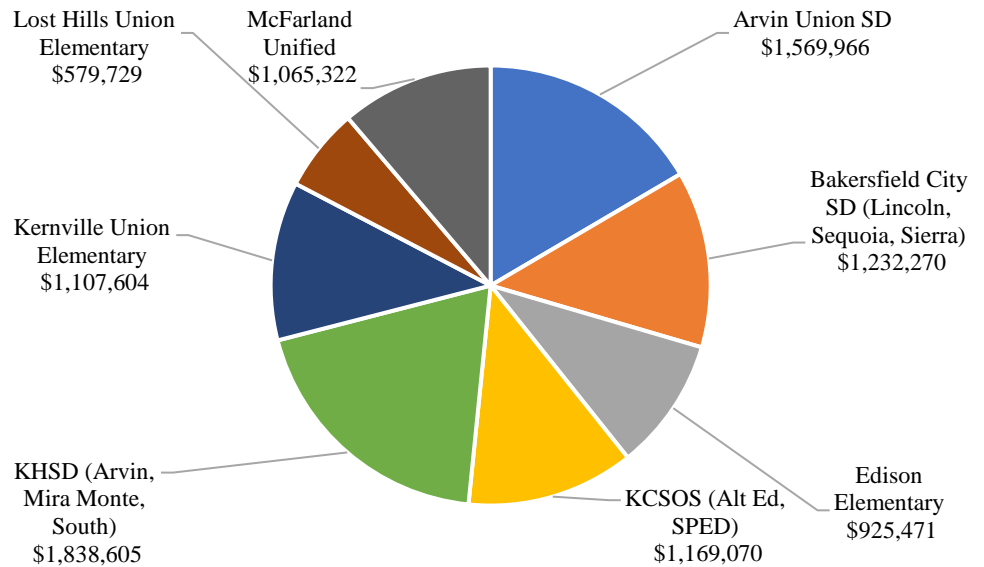
The State Budget for 2021-2022 included \$13.2 million over three years in incentive funding to build infrastructure, partnerships, and capacity for school behavioral health services in Kern County. In collaboration, KHS and HealthNet convened several stakeholders in Kern County including local education and behavioral health agencies, to collectively identify specific school districts, student populations, and interventions to build infrastructure and support behavioral services on or near campuses.

Memorandum of Understanding (MOU) will be required for funding releases.

## Allocation by Initiative



## Allocation by School District



### Status Update:

Kern County Superintendent of Schools (KCSOS) is the fiduciary intermediary for fund distribution to each of the identified school districts. Each participating school district is finalizing their bi-quarterly reports for submission in December 2023 for DHCS review. All districts are on target to meet their proposed outcomes, with some ahead of schedule.

Examples of the districts targeted interventions include expansion of family resource centers, modular space for service offerings, and telehealth services, teacher trainings, social worker staff recruiting, creating referral tracking system, and hiring onsite behavioral health staff.

The MOU and amendment between KHS and KCSOS is complete. Initial fund distribution of \$5 million to KCSOS to be dispersed across the districts based on each of their defined targeted intervention.

# Incentive Payment Program Funding Awards: CSS & ECM

**\$12.2** Awarded

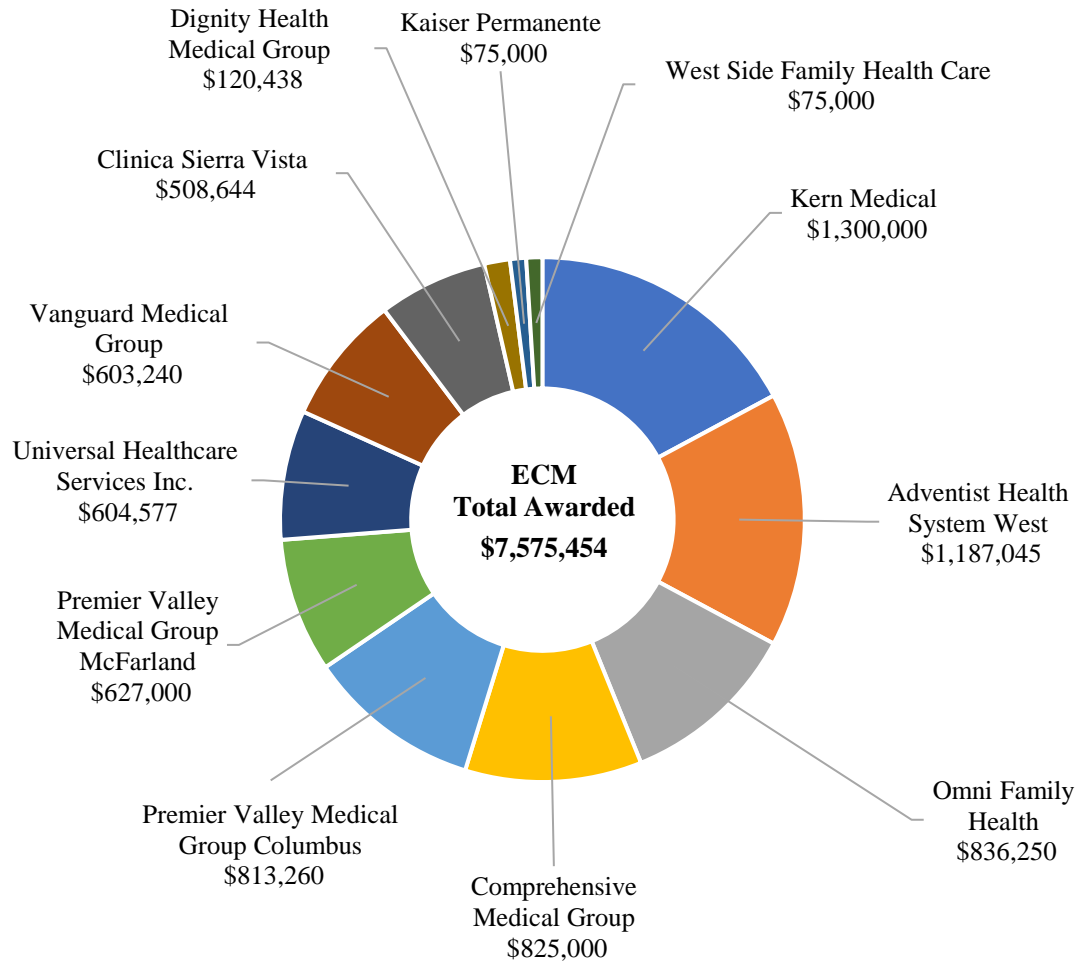
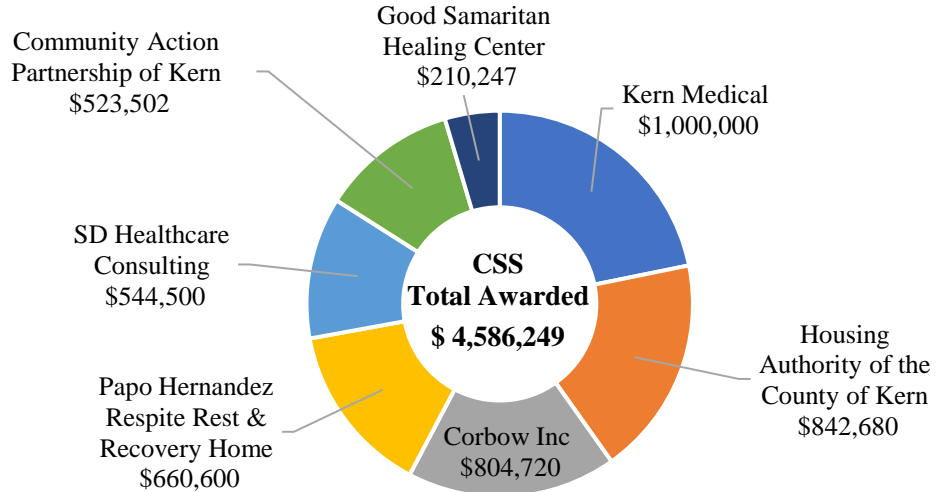
**7** CSS Organizations Funded

**12** ECM Organizations Funded

**Project Period:** January 1, 2022, to December 31, 2023

**Background:** The CalAIM Incentive Payment Program (IPP) is intended to support the implementation and expansion of Enhanced Care Management (ECM) and Community Supports (CSS) by incentivizing managed care plans (MCPs) to invest in provider capacity and delivery system infrastructure; bridge current silos across physical and behavioral health care service delivery; reduce health disparities and promote health equity; achieve improvements in quality performance; and encourage take-up of Community Supports.

KHS has awarded IPP Funding to the following providers to expand on ECM & CSS services. Final fund distribution is contingent on meeting all DHCS outcomes.



|                              |  |
|------------------------------|--|
| <p><b>Current Status</b></p> | <p><b>IPP Program Year 1:</b></p> <ul style="list-style-type: none"> <li>• Comprehensive Medical Group successfully met milestone to provide ECM services to 137 members in Delano.</li> <li>• Adventist Health continues to successfully enrolled members to ECM program in East Kern. Currently Adventist Health has enrolled 131 and are planning on expanding services to Ridgecrest.</li> <li>• Universal Health Care currently serving 167 ECM members in Bakersfield.</li> <li>• Vanguard Medical Corporation has enrolled 146 ECM members in Shafter.</li> <li>• Premier McFarland currently serving 97 ECM members in McFarland</li> <li>• CAPK, has served 150 members with navigation services. Housing deposits have been provided to 11 members and 15 members have received housing sustainability.</li> </ul> <p><b>IPP Program Year 2:</b></p> <ul style="list-style-type: none"> <li>• Premier Arvin went live 10/1/2023, providing ECM services in Arvin and outlying areas.</li> <li>• Bakersfield American Indian Health Project went live 10/01/2023, providing ECM services in Bakersfield to our American Indian population.</li> <li>• CSV, currently providing ECM services to 15 members in Delano.</li> <li>• Good Samaritan Hospital, offering Recuperative Care Services to 18 members in Delano</li> <li>• Good Samaritan Hospital Post Short Term Hospitalization has served 19 members in Delano.</li> <li>• SD Healthcare Consulting – Currently serving 83 members for Caregiver Respite in Delano and surrounding areas.</li> <li>• SD Healthcare Consulting- Currently serving 33 members for Personal Care and Homemaker Services in Delano and surrounding areas.</li> </ul> |
| <p><b>Next Steps</b></p>     | <ul style="list-style-type: none"> <li>• Clinica Sierra Vista - Delano will be enrolling an additional 100 ECM members by December 31, 2023.</li> <li>• Bakersfield American Indian Health Project will be hiring remaining core staff for ECM program and will be enrolling 25 members by December 31, 2023</li> <li>• Premier Arvin will be enrolling 50 members into their ECM program.</li> <li>• SD Consulting Asthma program will be enrolling up to 30 members in Delano.</li> </ul>  |

# Housing and Homelessness Incentive Program

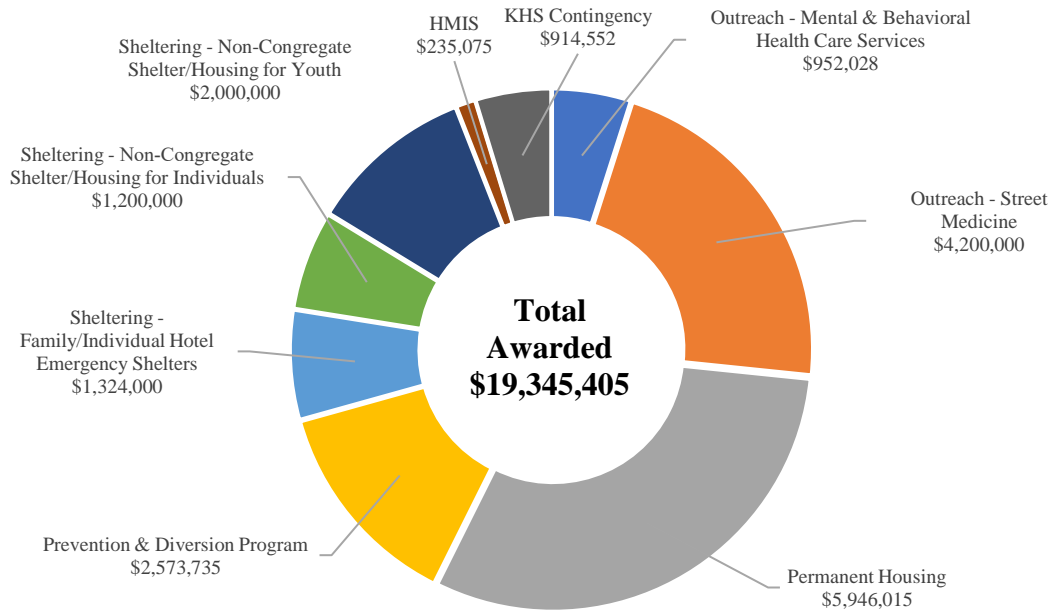
**\$19.3M Awarded**

**19 Providers & Community Based Organizations Funded**

**Project Period:**  
January 1, 2022, to December 31, 2023

**Background:** As a part of the State's overarching home and community-based services (HCBS) spending plan, the California Department of Health Care Services (DHCS) launched the Housing and Homelessness Incentive Program (HHIP).

HHIP aims to prevent and reduce homelessness and housing instability & insecurity by addressing social determinants of health while improving health outcomes and accessibility to whole-person care for those who are a part of the Medi-Cal population and simultaneously experiencing or at risk of being homeless. Final fund distribution is contingent on meeting all DHCS outcomes.



| Provider/CBO                               | Service   | Amount Awarded       |
|--|---|----------------------|
| California Veterans Assistance Foundation  | Permanent Housing   | \$ 500,000           |
| Casa Esperanza                             | Permanent Housing   | \$ 540,015           |
| Casa Esperanza                             | Prevention & Diversion Program                              | \$ 359,985           |
| Chaparral Medical group                    | Outreach - Street Medicine                                  | \$ 2,600,000         |
| Chaparral Medical group                    | Permanent Housing   | \$ 3,900,000         |
| Clinica Sierra Vista                       | Outreach - Street Medicine                                  | \$ 850,000           |
| Corbow Inc                                 | Prevention & Diversion Program                              | \$ 1,000,000         |
| Flood Ministries                           | Outreach - Street Medicine                                  | \$ 550,000           |
| Golden Empire Affordable Housing, Inc      | Permanent Housing   | \$ 206,000           |
| Habitat for Humanity Golden Empire         | Prevention & Diversion Program                              | \$ 713,750           |
| Housing Authority of the County of Kern    | Permanent Housing   | \$ 800,000           |
| Housing Authority of the County of Kern    | Sheltering - Non-Congregate Shelter/Housing for Youth       | \$ 700,000           |
| Housing Authority of the County of Kern    | Sheltering - Non-Congregate Shelter/Housing for Youth       | \$ 1,300,000         |
| Kern Behavioral Health & Recovery Services | Outreach - Mental & Behavioral Health Care Services         | \$ 576,000           |
| Kern Behavioral Health & Recovery Services | Sheltering - Family/Individual Hotel Emergency Shelters     | \$ 24,000            |
| The Open Door Network                      | Outreach - Mental & Behavioral Health Care Services         | \$ 96,484            |
| The Open Door Network                      | Outreach - Mental & Behavioral Health Care Services         | \$ 279,544           |
| The Open Door Network                      | Sheltering - Family/Individual Hotel Emergency Shelters     | \$ 1,300,000         |
| The Open Door Network                      | Sheltering - Non-Congregate Shelter/Housing for Individuals | \$ 1,200,000         |
| The Social Servant                         | Outreach - Street Medicine                                  | \$ 200,000           |
| United Way of Kern                         | Prevention & Diversion Program                              | \$ 500,000           |
| HMIS                                       |   | \$ 235,075           |
| KHS Contingency                            |   | \$ 914,552           |
| <b>Total</b>                               |   | <b>\$ 19,345,405</b> |

|                              |  |
|------------------------------|--|
| <p><b>Current Status</b></p> | <ul style="list-style-type: none"> <li>• Casa Esperanza opened their Women’s facility to provide housing to 19 women and children experiencing homelessness.</li> <li>• Chaparral Medical Group Street Medicine team has served over 340 members experiencing homelessness in Bakersfield. They have purchased a 2<sup>nd</sup> mobile vehicle to continue to expand Street Medicine to our homeless population.</li> <li>• Clinica Sierra Vista continues to provide Street Medicine services in rural, urban areas of Kern, and metro Bakersfield. CSV has provided 351 HEP C services and 243 HIV services to our homeless population.</li> <li>• Kern Behavioral Health &amp; Recovery Services provided 136 outreach services in the outlying areas. Kern BHRS provide a total of 224 emergency bed days to homeless individuals in Mojave, Taft, and Delano.</li> <li>• Housing Authority has completed 100% of rehabilitation work for the Youth Cornerstone Oildale project.</li> <li>• The Open-Door Network will be opening their emergency shelter location in Arvin to women and children experiencing homelessness due to domestic violence.</li> <li>• United Way of Kern County, Prevention and Diversion Program (rental assistance) has assisted 31 households during last two months.</li> <li>• Golden Empire Affordable Housing have housed 5 families experiencing homelessness.</li> </ul> |
| <p><b>Next Steps</b></p>     | <ul style="list-style-type: none"> <li>• California Veterans Assistance Foundation is in the construction phase on 12 individual units.</li> <li>• CSV will continue distributing harm reductions kits to street medicine patients in December.</li> <li>• Casa Esperanza will complete 2<sup>nd</sup> location for permanent housing.</li> <li>• Chaparral will start construction on Haley Street Project to build 40 permanent units to housed individuals experiencing homelessness.</li> <li>• Habitat Golden Empire will continue to conduct minor repairs for elderly.</li> <li>• Kern Behavioral Health and Recovery Services will continue to collaborate closely with landlords to housed people experiencing homelessness in outlying areas.</li> </ul>   |



## KHS NOVEMBER – December 2023 ENROLLMENT

### Member Demographics

| Member Age |     | Ethnicity        |     | Language |     |
|------------|-----|------------------|-----|----------|-----|
| 0-5        | 13% | Hispanic         | 63% | English  | 69% |
| 6-18       | 31% | Caucasian        | 17% | Spanish  | 30% |
| 19-44      | 34% | No Valid Data    | 10% | Other    | 1%  |
| 45-64      | 16% | African American | 6%  |          |     |
| 65+        | 7%  | Asian Indian     | 1%  |          |     |
|            |     | Filipino         | 1%  |          |     |
|            |     | Other            | 3%  |          |     |

### Percentage Increase/Decrease in Membership from previous month.

|          | Enrollment Type |  |                   |                        |  |
|----------|-----------------|--|-------------------|------------------------|--|
|          | Medi-Cal        | Seniors & Persons with Disabilities (SPDs) | Expanded Eligible | Kaiser Permanente (KP) | Total KHS Medi-Cal Managed Care Enrollment |
| 2023-11  | 232,434         | 18,086                                     | 95,452            | 15,423                 | 361,395                                    |
| 2023-12  | 233,851         | 18,438                                     | 95,877            | 15,207                 | 363,373                                    |
| % change | <b>0.6%</b>     | <b>1.9%</b>                                | <b>0.4%</b>       | <b>-1.4%</b>           | <b>0.5%</b>                                |

**Enrollment Update:** The unwinding of Medi-Cal continuous enrollment provision began April 1, 2023 for Medi-Cal eligibles who were due to renew their Medi-Cal eligibility starting in June 2023. Thus, beginning in June 2023, the “automated discontinuance process” for Medi-Cal Redeterminations resumed when beneficiaries do not complete the Annual Eligibility Redetermination process. In December 2023, the Medi-Cal managed care commercial plan transition process began. KHS received over 2,500 Health Net members. What this means is that these members chose a new health plan prior to the transition in January 2024.

## COMMUNITY EVENTS

### KHS will share sponsorship in the following events in December and January:

| Organization Name         | Event Name             | Purpose   | Donated Amount |
|---------------------------|------------------------|---|----------------|
| CALM                      | Holiday Lights at CALM | CALM works with the Kern County Superintendent of Schools to educate students and adults alike; currently hosting over 20,000 students annually on school field trips. Inspire guests to look at wildlife with new perspectives and intentions. | \$2,500        |
| Kern High School District | Del Oro High School    | Supports FFA youth department that prepares students to leadership, personal growth, career success through agricultural education.   | \$1,100        |

|   |   |  |          |
|---|---|--|----------|
| Kern Partnership for Children and Families  | 36th Annual Holiday Cottage                                       | Sponsorship will help fill Christmas wishes for 200 of Kern County’s foster children.  | \$10,000 |
| Cerro Coso Community College                | First-annual Jingle Jog 5k Color Run                              | The Cerro Coso Community College Foundation supports the Cerro Coso Promise program, which provides up to \$1,000 each semester to qualified students.   | \$250    |
| City Serve                                  | The Mayor's Ball  | The Mayor’s Ball has enabled City Serve to make a profound impact on the lives of those in need through local churches. Served over 61,000 local families with goods-in-kind, teach youth relationship life skills, educate individuals in the City Serve Educational Collaborative, reunite, and counsel families of formerly incarcerated men and women, and so much more. | \$5,000  |
| Bakersfield City School District Foundation | 2023 Teddy Bear Picnic  | All of the net proceeds from the event will go directly back into the District’s classrooms through the awarding of BCSD Education Foundation Teacher Grants.  | \$2,500  |
| KernTax Education Foundation                | KernTax's 84th Annual Meeting                                     | KernTax is a member-supported non-profit corporation, with the mission to bring about more accountable, effective, efficient, reliable government.   | \$2,000  |
| Kern Partnership for Children and Families  | Annual Breakfast with Santa                                       | Support Kern County foster children and caregivers who open their hearts and homes to the most vulnerable children and youth. Families will enjoy a festive atmosphere that includes a visit and picture with Santa, a hearty breakfast, and an age-appropriate gift. Children will also be engaged in multiple activities.  | \$1,000  |
| Safe Haven Kid's League of California City  | Annual 2023 Holiday Toys, Food Box & Community Resources Giveaway | SHKLCC is an organization dedicated to help families and especially the youth in our community. Funding goes towards: food boxes, produce, canned goods, toys and to cover event costs.  | \$2,000  |
| Kern County Cancer Foundation               | Christmas with The Cranktones                                     | “The Cranktones” is a group of musicians who come together for the finale of the Guitar Masters season to hold a concert benefitting The Kern County Cancer Foundation.  | \$2,500  |
| Kern County Hispanic Chamber of Commerce    | Holiday Reception   | Proceeds to benefit the Boys & Girls Club of Lamont, League of Dreams, Inc., and KCHCC Foundation (to be dispersed to Youth Cancer Patients and Foster Children).  | \$500    |

|  |  |   |         |
|--|--|---|---------|
| Clinica Sierra Vista                                   | Holiday Lunch Sponsor                                | Honor the heart and soul of the CSV Patient Access to Care Program (Certified Enrollment Counselors) for their dedication to ensure our community has healthcare coverage.  | \$1,000 |
| Kern County Cancer Foundation                          | Pediatric Cancer Holiday Party                       | Each family will receive a warm meal, stockings, and the children will receive toys from Santa. This is a family friendly event with activities, a mobile petting zoo, and holiday food boxes to take home.   | \$3,500 |
| Sons of the American Revolution                        | National Wreaths Across America Day                  | Sponsor a wreath in honor of our 22 KHS veterans to be placed on a Veteran's grave in December.   | \$375   |
| Richland School District                               | 5th Annual Christmas Toy Drive                       | Purchase toys for 50 underserved children in the city of Shafter.   | \$1,250 |
| Mountain Communities Family Resource Center Inc.       | Parent Project: Help Me Grow                         | A six-week course for parents of children ages 0-5 held in early 2024. Each week will focus on a different component of children's growth and development and how to support each child.  | \$2,500 |
| Houchin Community Blood Bank                           | Annual Resolve to Get Fit and Save Lives Blood Drive | Encourage blood donations when collections are historically low after the Holiday Season. Aim to entice eligible donors to benefit local patients in need by resolving to give blood while also promoting healthy eating and exercising habits.   | \$1,656 |
| Probation Auxiliary County of Kern                     | 34th Annual 5k/10k FOG Run                           | Event raises money to provide much needed services, clothing, and academic scholarships to at-risk youth in Kern County.  | \$1,000 |
| SCLC of Kern County & Martin Luther King Jr. Committee | Annual Community Awards Breakfast Celebration        | Promote spiritual principles within local communities, eradicate environmental classicism whenever it exists, educate youth and adults in areas of personal responsibility, leadership, potential, and community service. Ensure economic justice and civil rights in diversity within all municipalities who serve the needs of at-risks families. | \$1,000 |
| Greater Bakersfield Chamber of Commerce                | 2024 Board Installation Awards                       | Recognizing individuals, businesses, and organizations for accomplishments completed during the prior year to improve quality of life and help make Bakersfield better.   | \$3,000 |
| Kern Economic Development Corporation                  | 2024 State of the County                             | KEDC's mission is to cultivate and promote Kern County's boundless opportunities for business, job creation, and to implement innovative strategies for the region's emerging and established industry clusters.  | \$2,500 |

**KHS will also participate in the following events in December and January:**

| <b>Organization Name</b>   | <b>Event Name</b>                         | <b>Location</b>   | <b>Date</b> | <b>Time</b>    |
|----------------------------|---|---|-------------|----------------|
| Lamont Chamber of Commerce | 2023 Christmas Parade                     | Wharton Ave. and Main St. Ending at Panama Rd. and Main St. | 12/2/2023   | 10:00am-1:00pm |
| Taft College               | Fall 2023 Taft College Open House         | 29 Cougar Ct.   | 12/6/2023   | 12:00pm-4:00pm |
| Flood Ministries           | Winter Wonderland Resource Fair           | 1830 Truxtun Ave. Ste. 210                                  | 12/9/2023   | 10:00am-1:00pm |
| New Life Church            | Toy Giveaway and Resource Fair            | 4313 Shepard St.  | 12/9/2023   | 8:00am-11:00am |
| CAPK                       | Winter Wonderland Social/Resource Fair    | 1130 17th St.   | 12/11/2023  | 9:30am-11:30am |
| Univision Bakersfield      | Posada Navideña-Feria de Salud y Recursos | Mercado Latino 2105 Edison Hwy.                             | 12/16/2023  | 12:00pm-4:00pm |

**Employee Video Newsletter**

KHS' Video Employee Newsletter can be seen by clicking the following link:

[Keeping Up with KHS - Spotlight on Member Engagement and the Halloween Bash Recap \(vimeo.com\)](https://vimeo.com/788888888)

**Member Newsletter**

KFHC's Member Newsletter can be viewed by clicking the following link:

**[Kern Family Health Care | Family Health | Winter 2023 \(flippublication.com\)](https://flippublication.com)**

**KHS Media Clips**

We compiled local media coverage that KHS received in October and November. Please see

**[Attachment D: Public Relations/Publicity Media Clips.](#)**

# KHS ORGANIZATIONAL HIGHLIGHTS

---

## KHS Blue Zone Certification

Kern Health Systems is proudly leading the way as the first Blue Zones Project approved worksite in Kern County. The Blue Zones Project is a community well-being improvement initiative that seeks to transform the way people perceive and engage with life and their community. Blue Zones are remarkable places around the world where individuals enjoy exceptionally long and vibrant lives. Achieving the status of the first officially approved worksite is a significant milestone for Kern Health Systems and a tremendous achievement for Bakersfield as a whole.

Kern Health Systems takes pride in setting a high standard by fostering connections with our employees and providing them with valuable resources to enhance their well-being both within and outside of the office. Over time, the adoption of Blue Zones Project principles is anticipated to result in lower healthcare costs, increased productivity, and the creation of a healthier and happier organization.

Here are some key Blue Zones categories KHS focused on:

- Physical Environment
- Benefits and Well-Being Programs
- Leadership
- Social Networks
- Purpose
- Work Community

These elements collectively contribute to our commitment to promoting well-being and improving the lives of our employees.



## **KHS PROVIDER NETWORK HIGHLIGHTS**

---

### **Hypertension Management Guidelines Provider Forum**

Kern Health Systems hosted several provider trainings during 2023 and we received positive feedback from our in-network providers. Dr. Atul Aggarwal graciously volunteered to present at the KHS Hypertension Guideline Management Forum on November 14, 2023, where Dr. Aggarwal shared current guidelines for hypertension. We would like to thank Dr. Atul Aggarwal for going above and beyond to offer his expertise in Cardiology to other in-network Physicians so that our patients receive the most up-to-date care.

With the close of the year, below is a recap of the provider focused forums, meetings, webinars, and presentations held in 2023. The KHS provider network team has started planning and looking forward to the 2024 provider focused initiatives.

- Pay for Performance/MCAS Dinner – January 26, 2023
- Provider Partnership/MCAS Webinar – March 29, 2023
- Provider Partnership Member Engagement / Member Rewards Redeterminations – May 3, 2023
- Provider Forum (Population Health Management, Health Equity, Enhanced Care Management, Community Support Services) – June 28, 2023
- Long Term Care Annual Meeting – October 11, 2023
- KHS Provider Claims Forum (Billing / Medical Documentation) – October 18, 2023
- Hypertension Guideline Management – November 14, 2023
- Provider Partnership (Blood Lead Screening) – November 15, 2023

### **Behavioral Health Forum**

The Behavioral Health Forum hosted by Kern Health Systems brought together key stakeholders from various organizations, including Bakersfield Kern Regional Homeless Collaborative (BKRHC), Clinica Sierra Vista (CSV), Kern Behavioral Health and Recovery Services (KBHRS), Kern County Probation Department (KCPD), Kern County Superintendent of Schools (KCSOS), Telehealth Medical Group (THD), Kern Medical (KM), and Bakersfield Police Department (BPD). The convening provided a comprehensive overview of the behavioral health landscape in Kern County, identifying key areas for improvement and collaboration among stakeholders to enhance behavioral health services and support for the community. Discussions explored gaps in valid practices, housing sustainability, transitional systems, sustainability, and treatment options.

The discussion primarily focused on three areas: partnerships, challenges, and gaps in services. From this discussion there were some takeaways and opportunities for Kern Health Systems. Some of the takeaways include the need in the county for increased staffing, more training, enhanced services, and greater service options for clients. There was a strong voice around the systems challenges faced with

clients seeking to navigate services and communication of services throughout the county for community providers.

From these takeaways came several opportunities for Kern Health Systems to support the work of partners who serve our members, which included: 1) Facilitating conversations around systems being used and how the system KHS will lead can possibly support this work throughout the county; 2) Partnering with Kern Behavioral Health and Recovery Services to fund at least one staff position to be “Train the Trainer” certified in the required curriculums, who will then train community providers regarding local BH services.

The forum concluded by informing the attendees of the next steps being taken by Kern Health Systems and the possibility of meeting again in the future.

## **KHS MEMBERSHIP | COMMUNITY HIGHLIGHTS**

---

### **Enhanced Care Management (ECM) Success Story**

Member enrolled in ECM in January of 2023. Initially the member was difficult to keep in contact with and did not attend regular appointments for the first 10 months despite repeated attempts, only maintaining contact with ECM staff in the beginning of October 2023. Contact with RNCM occurred during a field visit to member when he was hospitalized at Bakersfield Memorial Hospital due to a fractured hip following a bicycle accident. His phone had been disconnected for some time and making this face-to-face contact with the member was a turning point in the case management process.

At that time, the member reported that he was homeless and had *many* basic needs. He had been allowed to stay with his sister in Wasco for a time, but he was “not wanted” there and he was being told to leave. He was eventually kicked out of his sister’s home while still recovering from a fractured hip - without shelter, necessary DME items, medications, or an ability to care for his daily needs. He also eventually admitted to active fentanyl use.

In a joint effort by KHS care managers, ECM RNCM, as well as Community Support Services (CSS) Community Health Worker (CHW), since 10/02/2023 member has been able to:

- Gain admission to the Papo Hernandez Recuperative Care Home.
- Access needed DME items.
- Obtain legal identification.
- Apply for SSDI.
- begin establishing with physical therapy.
- begin self-scheduling his transportation to appointments.
- keep post-op and regular PCP/ECM appointments.
- complete and submit paperwork to DHS unassisted.
- establish with Aegis for substance use disorder and has remained engaged with them for 4 weeks and counting.

In a matter of 56 days, this member has gone from homelessness, depression and struggling with addiction, to sheltered, optimistic and achieving his goals of sobriety. At the age of 62, he is planning on completing a knee surgery in January 2024 and then is considering enrolling as a student at Bakersfield College. Despite his many struggles, this member has always been pleasant to interact with. There have been difficult situations that he has faced throughout this process. When another member may have left an angry voicemail blaming staff, this member has always been kind, gracious and has chalked up unfortunate outcomes to “It just wasn’t a good fit”. Now that his situation has greatly improved, he’s very positive and can’t let an opportunity for a good joke go missed. This member’s accomplishments are exactly what we hope our members will achieve through ECM. I have to give a special shout out to Angie for diligently working with this member, to Eddie for having a heartfelt conversation with the member before he was fully engaged with us, and to Javier for patiently answering all of my many questions and promptly following up on requests.



**ATTACHMENT A: BILL TRACKER**

| Title                | Description  | Status   |
|----------------------|--|--|
| <b>AB 33 (Bains)</b> | <p>This bill would, subject to an appropriation, establish the Fentanyl misuse and Overdose Prevention Task Force to undertake various duties relating to fentanyl misuse, including, among others, collecting and organizing data on the nature and extent of fentanyl misuse in California and evaluating approaches to increase public awareness of fentanyl abuse. The bill would require the task force to be cochaired by the Attorney General, State Public Health Officer, or their designees, and would specify the membership of the task force. The bill would require the first meeting of the task force to take place no later than June 1, 2024, and would require the task force to meet at least once every 2 months. The bill would require the task force to submit an interim report to the Governor and the Legislature by July 1, 2025, and would require the task force to report its findings and recommendations to the Governor and the Legislature by December 1, 2025. The bill would repeal these provisions on January 1, 2026.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB33">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB33</a></p> | <p>10/13/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>887, Statutes of<br/>2023.</p> |
| <b>AB 119</b>        | <p>This bill would repeal those inoperative provisions. The bill would restructure the MCO provider tax, with certain modifications to the above-described provisions, including changes to the taxing tiers and tax amounts, for purposes of the tax periods of April 1, 2023, through December 31, 2023, and the 2024, 2025, and 2026 calendar years. The bill would create the Managed Care Enrollment Fund to replace the Health Care Services Special Fund. Under the bill, moneys deposited into the fund would, upon appropriation, be available to the department for the purpose of funding the following subcomponents to support the Medi-Cal program: (1) the nonfederal share of increased capitation payments to Medi-Cal managed care plans; (2) the nonfederal share of Medi-Cal managed care rates for health care services; and (3) transfers to the Medi-Cal Provider Payment Reserve Fund, as established pursuant to specified provisions.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB119">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB119</a></p>   | <p>06/29/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>13, Statutes of<br/>2023.</p>  |

|                                    |   |  |
|------------------------------------|---|--|
| <p><b>AB 254 (Bauer-Kahan)</b></p> | <p>The Confidentiality of Medical Information Act (CMIA) prohibits a provider of health care, a health care service plan, a contractor, or a corporation and its subsidiaries and affiliates from intentionally sharing, selling, using for marketing, or otherwise using any medical information, as defined, for any purpose not necessary to provide health care services to a patient, except as provided. The CMIA makes a business that offers software or hardware to consumers, including a mobile application or other related device that is designed to maintain medical information in order to make the information available to an individual or a provider of health care at the request of the individual or a provider of health care for purposes of allowing the individual to manage the individual’s information or for the diagnosis, treatment, or management of a medical condition of the individual, a provider of health care subject to the requirements of the CMIA.</p> <p>This bill would revise the definition of “medical information” to include reproductive or sexual health application information, which the bill would define to mean information about a consumer’s reproductive or sexual health collected by a reproductive or sexual health digital service. The bill would make a business that offers a reproductive or sexual health digital service to a consumer for the purpose of allowing the individual to manage the individual’s information, or for the diagnosis, treatment, or management of a medical condition of the individual, a provider of health care subject to the requirements of the CMIA.</p> <p>This bill would incorporate additional changes to Section 56.05 of the Civil Code proposed by AB 1697 to be operative only if this bill and AB 1697 are enacted and this bill is enacted last.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB254">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB254</a></p> | <p>09/27/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>254, Statutes of<br/>2023.</p> |
| <p><b>AB 317 (Weber)</b></p>       | <p>This bill would require a health care service plan that offer coverage for a service that is within the scope of practice of a duly licensed pharmacist to pay or reimburse the cost of services performed by a pharmacist at an in-network pharmacy or by a pharmacist at an out-of-network pharmacy if the health care service plan or insurer has an out-of-network pharmacy benefit.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB317">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB317</a></p>  | <p>10/07/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>322, Statutes of<br/>2023.</p> |

|                                    |  |  |
|------------------------------------|--|--|
| <p><b>AB 352 (Bauer-Kahan)</b></p> | <p>This bill would require specified businesses that electronically store or maintain medical information on the provision of sensitive services on behalf of a provider of health care, health care service plan, pharmaceutical company, contractor, or employer to develop capabilities, policies, and procedures, on or before July 1, 2024, to enable certain security features, including limiting user access privileges and segregating medical information related to gender affirming care, abortion and abortion-related services, and contraception, as specified.</p> <p>The bill would additionally prohibit a provider of health care, health care service plan, contractor, or employer from cooperating with any inquiry or investigation by, or from providing medical information to, an individual, agency, or department from another state or, to the extent permitted by federal law, to a federal law enforcement agency that would identify an individual or that is related to an individual seeking or obtaining an abortion or abortion-related services that are lawful under the laws of this state, unless the request for medical information is authorized in accordance with specified existing provisions of law.</p> <p>The bill would exempt a provider of health care from liability for damages or from civil or enforcement actions relating to cooperating with, or providing medical information to, another state or a federal law enforcement agency before January 31, 2026, if the provider of health care is working diligently and in good faith to comply with the prohibition. Because the bill would expand the scope of an existing crime, it would impose a state-mandated local program.</p> <p>The bill would exclude the exchange of health information related to abortion and abortion-related services from automatically being shared on the California Health and Human Services Data Exchange Framework.</p> <p>The bill would define “sensitive services” for these purposes to mean all health care services related to mental or behavioral health, sexual and reproductive health, sexually transmitted infections, substance use disorder, gender affirming care, and intimate partner violence.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB352">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB352</a></p> | <p>09/27/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>255, Statutes of<br/>2023.</p> |
| <p><b>AB 425 (Alvarez)</b></p>     | <p>This bill would, commencing on July 1, 2024, add pharmacogenomic testing as a covered benefit under Medi-Cal, as specified. The bill would define pharmacogenomic testing as laboratory genetic testing that includes, but is not limited to, a panel test, to identify how a person’s genetics may impact the efficacy, toxicity, and safety of medications.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB425">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB425</a></p>  | <p>10/07/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>329, Statutes of<br/>2023.</p> |

|                                 |   |   |
|---------------------------------|---|---|
| <p><b>AB 557 (Hart)</b></p>     | <p>This bill would revise the authority of a legislative body to hold a teleconference meeting under those abbreviated teleconferencing procedures when a declared state of emergency is in effect. Specifically, the bill would extend indefinitely that authority in the circumstances under which the legislative body either (1) meets for the purpose of determining whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or (2) has previously made that determination. The bill would also extend the period for a legislative body to make the above-described findings related to a continuing state of emergency and social distancing to not later than 45 days after the first teleconferenced meeting, and every 45 days thereafter, in order to continue to meet under the abbreviated teleconferencing procedures.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB557">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB557</a></p>   | <p>10/08/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>534, Statutes of<br/>2023.</p>  |
| <p><b>AB 614 (Wood)</b></p>     | <p>This bill would make a change to an obsolete reference to the former Healthy Families Program, whose health services for children have been transitioned to the Medi-Cal program. The bill would make a change to an obsolete reference to the former Access for Infants and Mothers Program and would revise a related provision to instead refer to the successor Medi-Cal Access Program. The bill would delete, within certain Medi-Cal provisions, obsolete references to a repealed provision relating to nonprofit hospital service plans.</p> <p>This bill would specify that the director would be required to enter into contracts with managed care plans licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975, except as otherwise authorized under the Medi-Cal program. The bill would require the director, prior to issuing a new request for proposal or entering into new contracts, to provide an opportunity for interested stakeholders to provide input to inform the development of contract provisions.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB614">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB614</a></p> | <p>09/30/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>266, Statutes of<br/>2023.</p>  |
| <p><b>AB 665 (Carrillo)</b></p> | <p>This bill would remove the requirement that, in order to consent to mental health treatment or counseling on an outpatient basis, or to residential shelter services, the minor must present a danger of serious physical or mental harm to themselves or to others, or be the alleged victim of incest or child abuse.</p> <p>This bill would add a registered psychologist, a registered psychological assistant, a psychological trainee, an associate clinical social worker, a social work intern, a clinical counselor trainee working under the supervision of a licensed professional, and a board-certified psychiatrist to the definition of professional person for these purposes.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB665">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB665</a></p>  | <p>10/07/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>338, Statutes of<br/>2023.</p> <p><a href="https://www.gov.ca.gov/wp-content/uploads/2023/10/AB-665-Signing.pdf">https://www.gov.ca.gov/wp-content/uploads/2023/10/AB-665-Signing.pdf</a></p> |

|                                     |  |  |
|-------------------------------------|--|--|
| <p><b>AB 847 (Rivas)</b></p>        | <p>This bill, Sophia's Act, would authorize extended eligibility for pediatric hospice services and palliative care services for those individuals who have been determined eligible for those services prior to 21 years of age to after 21 years, as specified. The bill would extend eligibility for hospice services after 21 years of age.</p> <p>The bill would require the department to seek any federal approvals it deems necessary to implement these provisions. The bill would implement these provisions only to the extent that necessary federal approvals are obtained and federal financial participation is available and not otherwise jeopardized.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB847">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB847</a></p>   | <p>10/13/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>814, Statutes of<br/>2023.</p> |
| <p><b>AB 904<br/>(Calderon)</b></p> | <p>This bill would require a health care service plan or health insurer, on or before January 1, 2025, to develop a maternal and infant health equity program that addresses racial health disparities in maternal and infant health outcomes through the use of doulas. Under the bill, a Medi-Cal managed care plan would satisfy that requirement by providing coverage of doula services so long as doula services are a Medi-Cal covered benefit. The bill would require the Department of Managed Health Care, in consultation with the Department of Insurance, to collect data and submit a report describing the doula coverage and the above-described programs to the Legislature by January 1, 2027.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB904">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB904</a></p>  | <p>10/07/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>349, Statutes of<br/>2023.</p> |
| <p><b>AB 1241<br/>(Weber)</b></p>   | <p>Existing law requires providers furnishing service through video synchronous interaction or audio-only synchronous interaction, by a date set by the department, no sooner than January 1, 2024, to also either offer those services via in-person contact or arrange for a referral to, and a facilitation of, in-person care, as specified. This bill would instead require, under the above-described circumstance, a provider to maintain and follow protocols to either offer those services via in-person contact or arrange for a referral to, and a facilitation of, in-person care. The bill would specify that the referral and facilitation arrangement would not require a provider to schedule an appointment with a different provider on behalf of a patient.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1241">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1241</a></p> | <p>09/08/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>172, Statutes of<br/>2023.</p> |

|   |  |   |
|---|--|---|
| <p><b>AB 1481<br/>(Boerner<br/>Horvath)</b></p> | <p>This bill would expand the presumptive eligibility for pregnant women to all pregnant people, renaming the program “Presumptive Eligibility for Pregnant People” (PE4PP). For a pregnant person covered under PE4PP who applies for full-scope Medi-Cal benefits, if the application is submitted at any time from the date of their presumptive eligibility determination through the last day of the subsequent calendar month, the bill would require the department to ensure pregnant person is covered under PE4PP until their full-scope Medi-Cal application is approved or denied, as specified. The bill would require the department to require providers participating in the PE4PP program to provide information to pregnant persons enrolled in PE4PP on how to contact the person's county to expedite the county's determination of a Medi-Cal application.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1481">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1481</a></p>             | <p>10/07/23 -<br/>Chaptered by<br/>Secretary of<br/>State - Chapter<br/>372, Statutes of<br/>2023.</p>                    |
| <p><b>SB 311<br/>(Eggman)</b></p>               | <p>This bill would require the department to enter into a Medicare Part A buy-in agreement, as defined, for qualified Medicare beneficiaries with the federal Centers for Medicare and Medicaid Services by submitting a state plan amendment. Under the bill, the buy-in agreement would be effective on January 1, 2025, or the date the department communicates to the Department of Finance in writing that systems have been programmed for implementation of these provisions, whichever date is later.</p> <p>The bill would authorize the department to implement these provisions through all-county letters or similar instructions until regulations are adopted. Under the bill, these provisions would be implemented only to the extent that any necessary federal approvals are obtained and that federal financial participation is available and is not otherwise jeopardized.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB311">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB311</a></p> | <p>LHPC Support</p> <p>10/10/23 -<br/>Chaptered by<br/>Secretary of<br/>State. Chapter<br/>707, Statutes of<br/>2023.</p> |
| <p><b>SB 326<br/>(Eggman)</b></p>               | <p>The bill would recast the MHSA by, among other things, renaming it the Behavioral Health Services Act (BHSA), expanding it to include treatment of substance use disorders, changing the county planning process, and expanding services for which counties and the state can use funds. The bill would revise the distribution of MHSA moneys.</p> <p>The bill would require counties to pursue reimbursement through various channels and would authorize the counties to report issues with managed care plans and insurers to the Department of Managed Health Care.</p> <p>Requires voter approval and would be effective upon passage beginning 1/1/25.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB326">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB326</a></p>  | <p>10/12/23 -<br/>Chaptered by<br/>Secretary of<br/>State. Chapter<br/>790, Statutes of<br/>2023.</p>                     |

|                              |   |   |
|------------------------------|---|---|
| <p><b>SB 496 (Limon)</b></p> | <p>This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after July 1, 2024, to provide coverage for medically necessary biomarker testing, as prescribed, including whole genome sequencing, for the purposes of diagnosis, treatment, appropriate management, or ongoing monitoring of an enrollee’s or insured’s disease or condition to guide treatment decisions, as prescribed. The bill would specify that it does not require a health care service plan or health insurer to cover biomarker testing for screening purposes unless otherwise required by law. The bill would subject restricted or denied use of biomarker testing for the purpose of diagnosis, treatment, or ongoing monitoring of a medical condition to state and federal grievance and appeal processes.</p> <p>This bill would not preclude any obligation imposed on a managed care plan by the Knox-Keene Act, as specified. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB496">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB496</a></p> | <p>10/07/23 -<br/>Chaptered by<br/>Secretary of<br/>State. Chapter<br/>401, Statutes of<br/>2023.</p> |
| <p><b>SB 502 (Allen)</b></p> | <p>This bill would require the department to file all necessary state plan amendments to exercise the HSI option made available under CHIP provisions to cover vision services provided to low-income children statewide through a mobile optometric office, as specified.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB502">https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB502</a></p>   | <p>10/08/23 -<br/>Chaptered by<br/>Secretary of<br/>State. Chapter<br/>487, Statutes of<br/>2023.</p> |

|                                   |  |  |
|-----------------------------------|--|--|
| <p><b>SB 525<br/>(Durazo)</b></p> | <p>This bill would establish 3 separate minimum wage schedules for covered health care employees, as defined, depending on the nature of the employer.</p> <p>The bill would require health care facility employers with 10k FTE with a county population of 5 million to pay minimum wage of \$23 per hour from June 1, 2024 and \$25 an hour on June 1, 2026. this bill would require a healthcare facility with 10,000 health care worker minimum wage of \$21 per hour for hours worked in covered health care employment, as defined. The bill would require hospitals with high government al payor mix, rural independent healthcare facility, operated by county, or independent hospital with a population less than 250k to 18 per hour from June 1, 2024 and \$25 an hour on June 1, 2033. This bill would require, for specified clinics that meet certain requirements, the minimum wage for covered health care employees to be \$21 per hour from June 1, 2024, to May 31, 2026, inclusive, and \$22 per hour from June 1, 2026, to May 31, 2027, inclusive, and \$25 from June 1, 2027, and until as adjusted as specified.</p> <p>This bill would require, for all other covered health care facility employers, the minimum wage for covered health care employees to be \$21 per hour from June 1, 2024, to May 31, 2026, inclusive, \$23 per hour from June 1, 2026, to May 31, 2028, inclusive, and \$25 per hour from June 1, 2028, and until as adjusted as specified. This bill would provide that a covered health care facility that is county owned, affiliated, or operated must implement the appropriate minimum wage schedule described above, as applicable, beginning January 1, 2025. This bill would also separately require, for a licensed skilled nursing facility, as described, the minimum wage for certain other covered health care employees, as described, to be \$21 per hour from June 1, 2024, to May 31, 2026, inclusive, \$23 per hour from June 1, 2026, to May 31, 2028, inclusive, and \$25 per hour from June 1, 2028, and until as adjusted as specified. The bill would make this minimum wage requirement effective only when a patient care minimum spending requirement applicable to skilled nursing facilities is in effect.</p> <p>This bill would require, for covered health care employment where the employee is paid on a salary basis, that the employee earn a monthly salary equivalent to no less than 150% of the health care worker minimum wage or 200% of the applicable minimum wage, whichever is greater, for full-time employment in order to qualify as exempt from the payment of minimum wage and overtime.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB525">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB525</a></p> | <p>10/13/23 -<br/>Chapered by<br/>Secretary of<br/>State. Chapter<br/>890, Statutes of<br/>2023.</p> |
|-----------------------------------|--|--|



|                                   |   |  |
|-----------------------------------|---|--|
| <p><b>SB 667 (Dodd)</b></p>       | <p>Adds common gynecologic conditions to the practice of midwifery by a Certified Nurse Midwife (CNM). Permits a CNM who holds privileges in a general acute care hospital, as defined, to admit and discharge patients upon their own authority, within their scope of practice and in accordance with the bylaws of that facility, as specified. Updates and revises the authority for CNMs to furnish and order controlled substances classified in schedule II, III, IV, and V. Clarifies that a CNM may dispense drugs, which are defined in the pharmacy law as not dangerous, as specified. Adds a CNM to the definition of “prescriber” in the pharmacy law, as specified. Authorizes an alternative birth center or primary care clinic to perform tests classified as “waived” under CLIA or a provider-performed microscopy (PPM) that are consistent with services within the scope of the provider’s license if the alternative birth center or primary care clinic obtains a registration from the DPH complies with specified provisions.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=20230240SB667">https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=20230240SB667</a></p>   | <p>10/08/23 -<br/>Chaptered by<br/>Secretary of<br/>State. Chapter<br/>497, Statutes of<br/>2023.</p>                    |
| <p><b>SB 770<br/>(Weiner)</b></p> | <p>This bill would direct the Secretary of the California Health and Human Services Agency to research, develop, and pursue discussion of a waiver framework in consultation with the federal government with the objective of a health care system that incorporates specified features and objectives, including, among others, a comprehensive package of medical, behavioral health, pharmaceutical, dental, and vision benefits, and the absence of cost sharing for essential services and treatments. The bill would further require the secretary to engage specified stakeholders to provide input on topics related to discussions with the federal government and key design issues, as specified.</p> <p>The bill would require the secretary, no later than January 1, 2025, to provide an interim report to specified committees of the Legislature and propose statutory language to the chairs of those committees authorizing the development and submission of applications to the federal government for waivers necessary to implement a unified health care financing system. The bill would require the secretary, no later than June 1, 2025, to complete drafting the waiver framework, make the draft available to the public on the agency’s internet website, and hold a 45-day public comment period thereafter. The bill would require the secretary, no later than November 1, 2025, to provide the Legislature and the Governor with a report that communicates the finalized waiver framework, as specified, and sets forth the specific elements to be included in a formal waiver application to establish a unified health care financing system, as specified.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20230240SB770">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20230240SB770</a></p> | <p>CAHP Oppose</p> <p>10/07/23 -<br/>Chaptered by<br/>Secretary of<br/>State. Chapter<br/>412, Statutes of<br/>2023.</p> |

|                                       |  |   |
|---------------------------------------|--|---|
| <p><b>SB 805<br/>(Portantino)</b></p> | <p>This bill would expand the criteria for a qualified autism service professional to include a psychological associate, an associate marriage and family therapist, an associate clinical social worker, or an associate professional clinical counselor, as specified. The bill would require those positions to meet the criteria for a Behavioral Health Professional, as provided.</p> <p>This bill would require the department to regulations, on or before July 1, 2026, to address the use Behavioral Health Professionals and Behavioral Health Paraprofessionals in behavioral health treatment group practice. The bill would require the department to establish rates and the educational or experiential qualifications and professional supervision requirements necessary for these positions to provide behavioral intervention services, as specified.</p> <p><a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB805">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB805</a></p> | <p>10/08/23 -<br/>Chaptered by<br/>Secretary of<br/>State. Chapter<br/>635, Statutes of<br/>2023.</p> |
|---------------------------------------|--|---|



# KERN HEALTH SYSTEMS

---

Attachment B:  
2023 – 2024 Grants and Strategic  
Initiatives



# Background

In August 2023, KHS Board of Directors approved two (2) grant programs and two (2) strategic initiatives. The purpose is to advance health equity, access, and provide the highest quality of care to our members.

Received over  
**90 applications**  
for all programs

Total  
Awardees:  
**54**

Provider  
recruitment &  
Retention Grant  
Program

Quality Grant  
Program

Healthcare  
Workforce  
Expansion Initiative

Community Based  
Initiative



# Provider Recruitment & Retention (R&R) Grant Update

Funding Allocation: \$3,000,000

Safety Net Providers: \$2,400,000 | Community Providers: \$600,000

**Total of 20 providers awarded**

## Provider Projections

- Increase access to care by recruiting and retaining the following providers in the Kern Community
  - Psychiatrist, Allergist, Behavioral Health Therapist, Behavioral Certified Behavioral Analyst (BCBA), Social Workers, Otolaryngologists, Pediatricians, Physical Therapist, OB-GYN, Nephrologist, Geriatrician, Cardiologist, Optometrist, Mid-Levels, and Primary Care Providers.
  - Projected Recruitment & Retaining:
    - i. Specialist
    - ii. Primary Care / Mid-Level
    - iii. Behavioral Health



# Quality Grant Update

Funding Allocation: \$5,000,000

Safety Net Providers: \$4,000,000 | Community Providers: \$1,000,000

**Total of 10 providers awarded**

## Program Highlights

- Kern Medical Center
  - Focus: Expansion of Mobile Services to provide immunizations and well child visits to underserved areas to target schools, community centers, boys and girls club, and community health fairs
  - Target Measure: Child and Adolescent Well-Care Visits
- Komoto Pharmacy
  - Focus: Host mobile and in house vaccination clinics for children and teens.
  - Target Measure: Childhood Immunization Status (CIS) & Immunizations for Adolescents (IMA)
- Vanguard Medical Group
  - Focus: Improve well child visits as well as cancer prevention and reproductive health domains.



# Healthcare Workforce Initiative Update

Funding Allocation: \$10,000,000

## 9 local educational institutions and providers awarded

- 3 local community colleges
  - Taft Community College
  - Cerro Coso Community College (Ridgecrest)
  - Bakersfield Community College
- CSU Bakersfield
- 5 local providers and hospitals to expand residency programs

## Program Highlights

- CSU Bakersfield: Launching Doctor of Nursing Practice, Nurse Practitioner Program (DNP) in 2025, projected enrollment of 18 students for the first cohort.
- Cerro Coso and Taft Community College: Development of Associate Degree of Nursing to begin in Fall 2024
- Dignity Health: New Graduate Medical Educational (GME) Program in 2025 in partnership with Morehouse under More in Common Alliance to recruit residents who will practice in Kern County



# Community Based Initiative Update

Funding Allocation: \$2,000,000

15 Community Based Organizations (CBO) awarded

## Program Highlights

- Safe Haven
  - California City based CBO
  - CBO will be rendering community events in surrounding areas for food distribution, hosting after school programs such as tutoring for the youth, providing members resources, and education on Medi-Cal benefits.
- California Farmworker Foundation
  - Utilization of mobile clinics out to the fields to render services to our farmworker population
  - Focus includes primary care services and preventive measures by providing health and wellness education
- Kern County Cancer Foundation
  - Purchase of mobile outreach van
  - Focus: members diagnosed with cancer will be transported to appointments to remove barriers to access, routine events will be hosted to provide health education for the members and their families on cancer treatments.





# Community Based Initiative: Program Highlight

JOIN OUR  
**A GIVING  
RESOURCE  
SPECTACULAR EVENT**



Event starts on:  
**SATURDAY**  
NOVEMBER 18, 2023  
FROM 1-5PM

STRATA SPORTS CENTER  
10350 Heather Ave.  
California City, CA 93505



A Special Thanks to Starbuck Stores  
Cal-City - Mojave - Rosamond - Lancaster  
From (SHKLCC)

**Food on site**

**EVENT DESIGNED TO HELP  
FAMILIES WITH THE  
THANKSGIVING HOLIDAY**

**EVENT SPONSORED BY**  
 **Kern Family  
Health Care®**



### ACTIVITIES FOR THE DAY

- ✓ Food boxes on site (limited)
- ✓ Arts & Crafts for kids
- ✓ School supplies available
- ✓ Information on community resources
- ✓ Networking throughout the community
- ✓ Meet many local company owners



Safe Haven Kid's League of California City will be hosting its first community resource event in which many of our local businesses and vendors will come out to educate the community and meet the local residents and families. All are welcome and there will be activities and giveaways for the kids so reserve the date and we hope to see you there.

Call For more information  
**760-338-3488**

For More Information  
[www.safehavenkidsleague.org](http://www.safehavenkidsleague.org)

Safe Haven Kid's League & Community Resource is a registered 501(c)(3) organization.



Safe Haven community projects began November of 2023 with their first event hosted for the Thanksgiving Holiday. Over 250 families received food baskets in California City.





# Feedback

## Community Based Initiative

*"We are eager to strengthen our community partnership and enhance our services"*

– Bakersfield Recovery Services

## Healthcare Workforce Initiative

*"This is exciting news! This is great for our students, the partnership, and our community"*

– CSU Bakersfield

## Quality Grant

*"Thank you for the opportunity to provide pediatric vaccination clinics for your members. We are looking forward to getting started"*

– Komoto Pharmacy

## R&R Grant

*"Thank you. This funding will be utilized for long-term investment in the community and the want to continue providing care to the residence of the Kern River Valley."*

– Kern Valley Healthcare District



# KERN HEALTH SYSTEMS

---

## Attachment C: Homeless Management Information System (HMIS)



# HMIS | System Overview

The Homeless Management Information System (HMIS) is a database application utilized to collect and aggregate data on homeless populations served in our community. With an increased focus on integrated health care, social services, and homelessness, the HMIS will support data sharing and analytics between the Bakersfield/Kern Continuum of Care (CoC) and Healthcare and Community Service Providers within Kern County.

Effective October 1, 2023, operational responsibilities of the HMIS were transitioned from Kern Behavioral Health & Recovery Services (KBHRS) to Kern Health Systems (KHS). KHS assumed responsibilities for:

- Lead Agency
- Data Operations / System Administration
- Customer Operational Support
- HMIS Data Quality Committee
- Data System Reporting





# Customer Operational Support

- KHS has established a dedicated Help Desk for all HMIS users
  - Email: [HMISsupport@KernHMIS.com](mailto:HMISsupport@KernHMIS.com)
  - Phone Number: 661-208-HMIS (4647)
- No disruption for current agencies' operations and experience
- Transitioned 34 active agencies
- KBHRS agreed to support KHS until November 30 with escalated needs
- Onboarding process established by Provider Network Management (PNM) for new agencies
- User License Inventory and Management



# Help Desk Operations

As of December 15, 2023, KHS Help Desk team has completed 167 tickets, including:

- Adding or removing users
- Adding or removing Community Based Organizations (CBOs)
- Resetting passwords
- Generating both regulatory reports and ad hoc reports for agencies





# Data Operations

KHS executed the contract with BitFocus Clarity System (HMIS Application)

## System Administration

- Established connectivity with Clarity System
- Completed Training for Day-to-day User Troubleshooting
- Assigned one person within the organization that serves as the HMIS System Administrator Lead

## Data Analytics and Reporting

- Custom Reports for Housing and Homelessness Incentive Program (HHIP) and Homeless Housing, Assistance, and Prevention (HHAP) Managed Care Funding
- Complete Regulatory Reporting
- Monitor Application Utilization

## Data Integration

- Self-Service Reporting
- Agency Dashboard Overview
- Public Display



# Bitfocus

# Attachment D: Media Clips

## Public Relations & Publicity

*Media Clips*

---

### Hispanic Heritage Month: Kern Health Systems

By: **KGET-17** | October 10, 2023

"We continue to celebrate Hispanic Heritage month and have Chief Executive Officer of Kern Health Systems, Emily Duran in studio." [Click here to read more.](#)

---

### Continued Conversation: Hispanic Heritage Month Day 3

By: **KGET-17** | October 10, 2023

"Kern Country Hispanic Chamber of Commerce's President/CEO, Jay Tamsi continues the conversation surrounding Hispanic Heritage Month with Kern Family Healthcare and Alvarez Healthcare."

[Click here to read more.](#)

---

### Semana binacional de salud

By: **Telemundo Bakersfield** | Oct 17, 2023

"Durante BHW, federal, agencias gubernamentales estatales y locales, basadas en la comunidad organizaciones y voluntarios se reúnen en el mes de Octubre para llevar a cabo una serie de actividades de promoción de la salud y salud. Pasamos con Maritza Jimenez, supervisora de relaciones comunitarias, Kern Health Systems." [Click here to read more.](#)

---

### Bakersfield leaders launch fundraising campaign for \$85 Million dollar MLK Park

By: **The Bakersfield Californian** | Oct 26, 2023

"Traco Matthews, the chief health equity officer for Kern Health Systems, traced his connection to MLK Park through his great-grandmother, who in the 1940s moved into a home two blocks away, where she stayed until her death in 1984."

[Click here to read more.](#)

---

### Kern Health Systems named city's first Blue Zones-approved worksite

By: **The Bakersfield Californian** | Nov 2, 2023

"But as she started listening and learning about Blue Zones Project Bakersfield, CEO Emily Duran said she recognized that its principles were consistent with Kern Health Systems' own goal to become a "change agent, being the example for our community." [Click here to read more.](#)



## **Kern Health Systems named first Bakersfield business to earn Blue Zones designation**

**By: KGET-17** | Nov 3, 2023

"Kern Health Systems has been named as the city's first business to earn the Blue Zones Project approved worksite designation. Kern Health earned the designation by beginning the process of adopting Blue Zones Project principles and improving employees' well-being." [Click here to read more.](#)

## **Kern Health Systems pioneers healthy living in Bakersfield as first Blue Zones Project approved worksite**

**By: Bakersfield Now** | November 5, 2023

"Kern Health Systems is Bakersfield's first business to earn the Blue Zones Project Approved Worksite. Blue Zones are designed to implement permanent changes within the community to promote a healthier lifestyle."

[Click here to read more.](#)

## **Healthy Opportunity: Local Provider holds assistance event in Frazier Park**

**By: 23abc** | Nov 15, 2023

"Traveling through the wind and rain, Kern Family Health Care made the trip up the Grapevine to Frazier Park to provide residents with information on health resources that are available throughout Kern County." [Click here to read more.](#)

## **Hundreds of families fed at inaugural community resource event**

**By: 23abc** | Nov 20, 2023

"City officials joined in the distribution effort... pitching in to spread some early holiday cheer. And it didn't stop there! "Kern Family Health, Golden Queens, Pro California City, Ace Hardware, Waste Management ... Oh my God ... who am I forgetting? (these people behind us). Starbucks is in the house!" [Click here to read more.](#)

## **Kern Family Healthcare and Safe Haven kids League sponsor Resources Event**

**By: Mojave Desert News** | Nov 27, 2023

"Kern County Health Care, along with the Safe Haven Kids League of California City (their first community resources event), sponsored and hosted a community resources event which was held at the Strata Center on Nov. 18th; the event took place from 1-5pm. The event was designed to help families with the Thanksgiving holiday."

[Click here to read more.](#)

## **Mentions**

### **Overflowing gratitude**

**By: The Bakersfield Californian** | Oct 28, 2023

"As I reflect on the beautiful gifts noted above, I realize that most of them have little to do with me and my personal choices. I've been blessed beyond what I deserve or could make happen, which is why my heart is full of gratitude during this season! — Traco Matthews, chief health equity officer, Kern Health Systems" [Click here to read more.](#)

## **Dignity Health Southern California North Vice President of Marketing and Communications to lead 2024 Kern County Go Red for Women movement**

**By: American Heart Association** | November 20, 2023

"Serving alongside Mangarin-Scott is a group of dedicated Go Red for Women volunteer leaders including...Emily Duran, chief executive officer, Kern Health Systems. [Click here to read more.](#)





**COMMITTEE:** *PHYSICIAN ADVISORY COMMITTEE*  
**DATE OF MEETING:** *OCTOBER 4, 2023*  
**CALL TO ORDER:** *7:03 AM BY MARTHA TASINGA, MD - CHAIR*

|                                   |  |  |   |
|-----------------------------------|--|--|---|
| <b>Members Present On-Site:</b>   | Martha Tasinga, MD – KHS Chief Medical Officer<br>Hasmukh Amin, MD – Network Provider, Pediatrics  | Gohar Gevorgyan, MD – Network Provider, Family Med.<br>David Hair, MD - Network Provider, Ophthalmology<br>Miguel Lascano – Network Provider, OB/GYN | Ashok Parmar, MD– Network Provider, Pain Medicine<br>Raju Patel, MD - Network Provider, Internal Medicine |
| <b>Members Virtual Remote:</b>    | None   |  |   |
| <b>Members Excused=E Absent=A</b> | Atul Aggarwal, MD - Network Provider, Cardiology (A)   |  |   |
| <b>Staff Present:</b>             | Alan Avery, KHS, Chief Operating Office<br>Michelle Curioso, KHS, PHM Director<br>Amy Daniel, KHS Executive Health Svcs Coordinator<br>Misty Dominguez, KHS, UM Director | Jake Hall, KHS, Deputy Director of Contracting<br>Yolanda Herrera, KHS Credentialing Manager<br>Yesenia Sanchez, KHS Credentialing Coordinator       |   |

| AGENDA ITEM        | DISCUSSION / CONCLUSIONS   | RECOMMENDATIONS/ ACTION  | DATE RESOLVED |
|--------------------|--|--|---------------|
| Public Comments    | Martha Tasinga, MD, Committee Chair, asked for public comment.<br>None were present.   | N/A  | N/A           |
| Committee Comments | Martha Tasinga, MD, Committee Chair, asked for committee member announcements or reports.<br><br>Bruce Wearda, Director of Pharmacy informed the member that DHCS has issued the following update regarding COVID Vaccines at their Pharmacy Directors Meeting held 9/27/23: "COVID-19 | <input checked="" type="checkbox"/> <b>CLOSED:</b> Informational only. | N/A           |

| AGENDA ITEM           | DISCUSSION / CONCLUSIONS   | RECOMMENDATIONS/ ACTION  | DATE RESOLVED |
|-----------------------|--|--|---------------|
|                       | <p>vaccines will remain carved-out as both a medical and pharmacy benefit until further notice, at least through 12/31/24 for now. This includes COVID vaccines for ages 0-18 years of age. Medical claims for COVID vaccines for this age group would be billed in a similar manner as other VFC vaccines. The difference being that the administration fees will be \$40 across the board for now, instead of the usual \$9 fee for VFC vaccines.”</p> <p>Dr. Amin shared his practice has seen COVID Vaccination decline rate increase to around 85% as members are choosing not to get vaccinated for COVID. Flu vaccine remains steady with an approximate 20% decline rate.</p>  |  |               |
| Quorum                | Attendance / Roll Call   | Committee quorum requirement met.  | N/A           |
| <b>CLOSED SESSION</b> | Adjourned to closed session at 7:10 am   | N/A  | N/A           |
|                       | <p><b><u>Peer Review Reports</u></b></p> <p><b>CREREDENTIALING REPORT</b><br/> <b>Mental Health Pre-Approvals from 9/28/2023:</b><br/>                     In compliance with Senate Bill 2581, Dr. Tasinga, KHS CMO, pre-approved the Mental/Behavioral Health providers as listed on the 9/28/2023 Credentialing Report, all meeting clean file criteria, in compliance with the 60-day turnaround requirements. Mental Health Providers were accepted as presented with no additional questions or alternative actions.</p> <p><b>INITIAL CREREDENTIALING REPORT</b><br/>                     Initial Applicants List Dated 10/04/2023:<br/>                     There were no comprehensive reviews presented for review. Initial applicants meeting clean file review were accepted as presented with no additional questions or alternative actions.</p> | <p><b>☑ ACTION:</b> Dr. Amin moved to approve the Credentialing, Recredentialing and New Vendor Contracts from the reports dated October 4, 2023, seconded by Dr. Parmar.<br/>                     Motion carried.</p> | 10/4/23       |

| AGENDA ITEM | DISCUSSION / CONCLUSIONS  | RECOMMENDATIONS/ ACTION | DATE RESOLVED |
|-------------|---|-------------------------|---------------|
|             | <p><b>RECREDENTIALING REPORT</b><br/> <b>Recredentialing Providers List Dated 10/04/2023:</b><br/>                     Recredentialing meeting clean file review were accepted as presented with no additional questions or alternative actions.</p> <p>Recredentialing with comprehensive reviews were conducted for the listed providers below for review of additional adverse information and/or information related to malpractice case(s) that resulted in settlement or judgment made on behalf of the practitioner within the previous three years:</p> <ul style="list-style-type: none"> <li>• Member Grievances: All Providers with significant Member &amp; Quality Grievances were reviewed with no quality of service or care issues reported as significant trends or concern requiring further review, questions or alternative actions recommended by this committee.</li> <li>• PRV006889 - Reviewed information regarding NPDB 2023 \$29,000: Alleged surgery should not have been performed due to previous cholecystectomy. Pt seen under previous name few years earlier and surgical history of prior gallbladder procedure was not included. Provider explanation reviewed and recommend approval of continued network participation as there have been no additional settlements.</li> <li>• PRV007278 - Reviewed information regarding NPDB 2023 \$2Million: Alleged failure to diagnose infective process and C4 fracture resulting in spinal cord injury with quadriplegia. Provider explanation reviewed and settled in agreement with provider and hospital. Recommend approval of continued network participation as there have been no additional settlements.</li> <li>• PRV029412 - Reviewed previously disclosed (in January 2023) provider deviation from standard of care issuing permanent exemptions for 2-pts with reactions that are not listed as contraindication or precaution form for future immunizations. Provider explanation reviewed and education course in pediatric immunizations completed. Recommend</li> </ul> |                         |               |

| AGENDA ITEM         | DISCUSSION / CONCLUSIONS   | RECOMMENDATIONS/ ACTION   | DATE RESOLVED |
|---------------------|--|---|---------------|
|                     | <p>approval of continued network participation as there have been no additional settlements.</p> <ul style="list-style-type: none"> <li>PRV006213 - Reviewed 5 years probation eff 11/10/21 with regard to Sterile Compounding Permit to be monitored for appropriate manufacturing, handling distributing and billing/charging for any drug, device or controlled substance. Recommend approval of continued network participation with monthly monitoring to ensure compliance with terms of probation.</li> </ul> <p><b>Closed session adjourned back to Open Session.</b></p>  |   |               |
| <b>OLD BUSINESS</b> | There was no old business to present   | N/A   | N/A           |
| <b>NEW BUSINESS</b> | <p><b><u>Approval of Minutes</u></b></p> <p>The Committee's Chairperson, Martha Tasinga MD, presented the meeting minutes for approval.</p>  | <p><input checked="" type="checkbox"/> <b>ACTION:</b> Dr. Hair moved to approve minutes of September 6, 2023, seconded by Dr. Amin. Motion carried.</p>   | 10/4/23       |
|                     | <p><b><u>Pharmacy Criteria</u></b></p> <p>Bruce Wearda, KHS Director of Pharmacy, presented the current criteria for Physician Administered Drugs (PAD) and others that are managed as part of the medical benefit that will be managed by common pharmaceutical utilization management and coverage tools. While the Medi-Cal Manual and Milliman (MCG) criteria does not often provide enough guidance, internal guidelines have been created through either the established approved formulary and/or the previous Pharmacy &amp; Therapeutics Committee, including collaboration with specialist within the network and other professional practice references.</p> <p>Bruce informed the members that while KHS is in process of NCQA Accreditation process, and until the P&amp;T Committee is re-established at KHS, the proposed guidelines have been brought to the PAC meeting for review and approval to accept the general conditions of</p> | <p><input checked="" type="checkbox"/> <b>ACTION:</b> Dr. Parmar moved to approve Pharmacy Criteria Guidelines, seconded by Dr. Patel. Motion carried.</p> <p>Criteria Presented:</p> <ul style="list-style-type: none"> <li>Chronic Migraine Management – Botulinum Toxin</li> <li>Colony Stimulating Factors</li> <li>Crysvida (burosumab-twza)</li> <li>Erythropoiesis Stimulating Agents (ESAs)</li> <li>Parenteral Iron Supplements</li> <li>Krystexxa (Pegloticase)</li> <li>Nucala (Mepolizumab) and Xolair (Omalizumab) for Asthma</li> <li>Pulmonary Arterial Hypertension - prostanooids</li> <li>Reblozyl (Luspatercept-aamt)</li> <li>Recombinant Human Parathyroid Hormone – Forteo &amp; Tymlos</li> <li>Tardive Dykinesia &amp; Involuntary Movement</li> <li>Tepezza (Teprotumumab-trbw)</li> <li>Thrombopoietin Receptor Agonists</li> <li>Uplizna (inebilizumb-Cdon)</li> <li>Xolair (Omalizumab) for Chronic Idiopathic Urticaria</li> </ul> | 10/4/23       |

| AGENDA ITEM         | DISCUSSION / CONCLUSIONS  | RECOMMENDATIONS/ ACTION  | DATE RESOLVED |
|---------------------|---|--|---------------|
|                     | <p>least costly version to manage the condition and accept criteria presented as attached to the meeting agenda.</p> <p>Committee members questioned how the authorization process will work including the notification process if an alternate drug is approved. Misty Dominguez, UM Director confirmed that a decision letter will be sent if an alternate drug is approved informing the physician. Bruce also stated for physician administered drug infusions done in the office, there is a “prior authorization” process in place and in most instances a bio-similar drug will be selected unless there is a clinical reason provided for the brand name drug. This process does not apply to the retail medications administered through DHCS Medi-Cal RX program.</p> |  |               |
| <b>OPEN FORUM</b>   | Dr. Tasinga informed the committee members that beneficiary identification cards will be going out to all members and will include the PCP Name and phone number as this has been a request of our providers and committee members.   | <input checked="" type="checkbox"/> <b>CLOSED:</b> Informational only. | N/A           |
| <b>NEXT MEETING</b> | Next meeting will be held Wednesday, November 8, 2023   | <input checked="" type="checkbox"/> <b>CLOSED:</b> Informational only. | N/A           |
| <b>ADJOURNMENT</b>  | <p>The Committee adjourned at 8:22 AM</p> <p><i>Respectfully submitted: Yolanda Herrera, CPMSM, CPCS</i></p>  | N/A  | N/A           |

*For Signature Only – Physician Advisory Committee Minutes 10/4/2023*

The foregoing minutes were APPROVED AS PRESENTED on: \_\_\_\_\_  
Date Name

The foregoing minutes were APPROVED WITH MODIFICATION on: \_\_\_\_\_  
Date Name



21 B

## SUMMARY

### QUALITY IMPROVEMENT (QI) / UTILIZATION MANAGEMENT (UM) COMMITTEE

KERN HEALTH SYSTEMS  
2900 Buck Owens Blvd.  
Bakersfield, California 93308

Thursday, September 21, 2023

#### COMMITTEE RECONVENED

Members: Ansolabehere, Arya, Cox, Colayco, Jeffries, Kennedy, Komin, Melendez, Park, Tasinga (Miller alternate)  
ROLL CALL: 6 Present; 4 Absent – Ansolabehere, Cox, Jeffries, Park

MEETING CALLED TO ORDER AT 7:08 A.M. BY DR. TASINGA, MD, KHS CHIEF MEDICAL OFFICER

NOTE: The vote is displayed in bold below each item. For example, Ansolabehere-Arya denotes Member Ansolabehere made the motion and Member Arya seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

#### COMMITTEE ACTION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Committee Members on any matter not on this agenda but under the jurisdiction of the Committee Members. Committee Members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Committee Members at a later meeting. Also, the Committee Members may take action to direct the staff to place a matter of business on a future agenda.  
**NO ONE HEARD.**

**Summary of Proceedings**

Quality Improvement- Utilization Management Committee Meeting  
Kern Health Systems

Page 2  
09-21-2023

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee Members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Gov. Code Sec. 54954.2[a]) **NO ONE HEARD.**

CA-3) QI-UM Committee Q2 2023 Summary of Proceedings – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

CA-4) Physician Advisory Committee (PAC) Q2 2023 Summary of Proceedings – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

CA-5) Public Policy – Community Advisory Committee (PP-CAC) Q2 2023 Summary of Proceedings – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

CA-6) Drug Utilization Review (DUR) Committee Q2 2023 Summary of Proceedings – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

CA-7) Pharmacy TAR Log Statistics Q2 2022 – RECEIVED AND FILED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

- 8) Quality Improvement Program Reporting Q2 2023 – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

- QI Reporting for Q2
- Policy 20.50-I Medi-cal Managed Care Quality and Performance Improvement Program Requirements

KAILEY COLLIER, QUALITY IMPROVEMENT MANAGER, PRESENTED THE QUALITY IMPROVEMENT DEPARTMENT REPORT FOR 2ND QUARTER 2023. KAILEY PRESENTED A SUMMARY OF KEY ACTIVITIES AND OUTCOMES AS FOLLOWS:

- GRIEVANCE AND QUALITY-OF-CARE (QOC) CLASSIFICATIONS: THE CURRENT RATE OF GRIEVANCES PER 1K MEMBERS IS 7.90 AND THE RATE OF GRIEVANCES CLASSIFIED AS QOC IS 1.50 PER 1K MEMBERS. THERE WAS A SLIGHT DECREASE IN BOTH THE RATE OF GRIEVANCES AND THOSE CLASSIFIED AS QOC FROM Q1 TO Q2 OF 2023. NO SIGNIFICANT TRENDS IDENTIFIED.
- POTENTIAL QUALITY OF CARE (PQI) NOTIFICATIONS: THE RATE OF PQIS IDENTIFIED AS LEVEL 1, POTENTIAL HARM TO THE MEMBER, HAS

**Summary of Proceedings**

Quality Improvement- Utilization Management Committee Meeting  
Kern Health Systems

Page 3  
09-21-2023

INCREASED SINCE THE BEGINNING OF THIS YEAR. THIS IS MOST LIKELY DUE TO 2 FACTORS:

ADDITION OF CLINICAL REVIEW FOR QOC ISSUES FOR GRIEVANCES RESULTING IN MORE PQI REFERRALS

A CHANGE IN THE GRIEVANCE QOC SCREENING PROCESS REDUCING THE VOLUME OF LEVEL 0, NO QOC ISSUE, AS REFERRAL TO THE PQI PROCESS.

IN SUMMARY, THERE WERE NO SIGNIFICANT TRENDS HAVE BEEN IDENTIFIED AT THIS TIME OUTSIDE OF THE ABOVE NOTED AREAS.

- FACILITY SITE REVIEWS (FSR) AND MEDICAL RECORD REVIEW (MRR): THE VOLUME OF SITE AND MEDICAL RECORD REVIEWS FOR THE 2ND QUARTER IS INCREASING COMPARED TO PREVIOUS QUARTERS DUE TO COMPLETION OF THE BACKLOG THAT HAD EVOLVED FROM THE PANDEMIC. REGARDING THE INITIAL HEALTH APPOINTMENTS: DURING THE 2ND QUARTER, A TOTAL OF 40 MEDICAL RECORDS WERE REVIEWED FOR INCLUSION OF AN INITIAL HEALTH APPOINTMENT. 10 OF 11 (91%) PEDIATRIC FILES WERE COMPLIANT AND ALL 29 (100%) ADULT FILES WERE COMPLIANT. EDUCATION WAS PROVIDED TO THOSE PROVIDERS WITH NON-COMPLIANT FILES. ADDITIONALLY, THE INITIAL HEALTH ASSESSMENT CHANGED TO AN INITIAL HEALTH APPOINTMENT EFFECTIVE JANUARY 1, 2023. THE PRIMARY CHANGE REMOVES THE SPECIFIC REQUIREMENT FOR COMPLETION OF THE STAYING HEALTHY ASSESSMENT TO MORE GENERAL SCREENING AND ASSESSMENT AREAS THAT MUST BE INCLUDED WITH FOLLOW UP OF AREAS THAT NEED TO BE ADDRESSED.
- QUALITY IMPROVEMENT PROJECTS: PERFORMANCE IMPROVEMENT PROJECTS ARE FOCUSING ON HEALTH EQUITY, SPECIFIC TO W30 MEASURE, 0-15 MONTHS AFRICAN AMERICAN POPULATION. ALSO, MCAS IMPROVEMENTS IN OUR PERFORMANCE IS CONTINUING WITH COLLABORATION WITH ECM TEAM AND DISCUSSING MCAS RESULTS AND SOLUTIONS WITH OUR ECM SITES ON SOLUTIONS TO IMPROVE MEASURES.
- GRIEVANCES AND QUALITY-OF-CARE (QOC) CLASSIFICATIONS: FOR Q2 2023, WE CLOSED A TOTAL OF 2943 GRIEVANCES OF WHICH 560 (19.03%) WERE CLASSIFIED AS QUALITY-OF-CARE (QOC) GRIEVANCES. THERE WAS NO SIGNIFICANT CHANGE IDENTIFIED IN VOLUME COMPARED TO PREVIOUS QUARTER AND WILL CONTINUE TO MONITOR FOR ANY TRENDS.
- POTENTIAL QUALITY ISSUE (PQI) NOTIFICATIONS: COMPARED TO PREVIOUS QUARTER THE NOTIFICATIONS DECREASED BY ABOUT 25%. THE PQI VOLUME HAS BEEN INCONSISTENT QUARTER OVER PREVIOUS QUARTER AND THERE WERE NO ISSUES IDENTIFIED AND WILL CONTINUE TO MONITOR FOR ANY TRENDS. ADDITIONALLY, THE FIFTY 30-DAY READMISSION

**Summary of Proceedings**

Quality Improvement- Utilization Management Committee Meeting  
Kern Health Systems

Page 4  
09-21-2023

REVIEWS CONDUCTED EACH QUARTER WERE COMPLETED TIMELY FOR THE Q2 2023. THERE WERE NO TRENDS IDENTIFIED OVER TIME. PQI TREND BY PROVIDER REVEALED THERE WAS ONE PROVIDER WITH LEVEL 3 IDENTIFIED. THIS PROVIDER HAD HIGHEST RATIO OF PQI/1000 VISIT, OF WHICH THE MAJORITY OF PQIS IDENTIFIED WERE CLOSED AS LEVEL 0S-NO QUALITY-OF CARE ISSUES, HOWEVER, THERE WERE NO TRENDS IDENTIFIED AND WILL CONTINUE TO MONITOR THE DATA.

- 9) Utilization Management Program Reporting Q2 2023 – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

Policy 3.02-P Major Organ Transplant  
Policy 3.10-P Alcohol and Substance Abuse Treatment  
Policy 3.14-P Mental Health Services  
Policy 3.22-P Referral and Authorization Process  
Policy 3.23-P Appeals Regarding Authorizations  
Policy 3.24-I Pregnancy Maternity Care  
Policy 3.24-P Pregnancy Maternity Care  
Policy 3.31-P Emergency Services  
Policy 3.87-P Access and Availability of Services LTC Members  
Policy 3.91-P Long Term Care Services Program  
Policy 3.92-P LTC Leave of Absence  
Policy 3.95-P LTC Bed Hold  
Policy 3.96-P LTC Continuity of Care

MISTY DOMINGUEZ WENT OVER ALL OF THE ABOVE POLICIES WITH THE COMMITTEE. THESE POLICIES WERE ALL MODIFIED TO BE IN ALIGNMENT WITH THE DHCS 2024 CONTRACT.

- CA-10) Kaiser Reports (PROPRIETARY AND CONFIDENTIAL)  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

- KFHC APL Grievance Report Q2 2023 – RECEIVED AND FILED
- KFHC Volumes Report for Q2 2023 – RECEIVED AND FILED
- Kaiser Reports will be available upon Request.

- 11) Population Health Management (PHM) Reporting Q2 2023 – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

DANIELLE COLAYCO ASKED IF THE TRAUMA INFORMED CARE TRAINING WOULD BE AVAILABLE TO PROVIDERS IN ADDITION TO KHS STAFF? MICHELLE ANSWERED THAT SHE WOULD FORWARD THE INFORMATION TO HER ONCE SHE VERIFIED IF IT WAS POSSIBLE TO INCLUDE PROVIDERS.

**Summary of Proceedings**

Quality Improvement- Utilization Management Committee Meeting  
Kern Health Systems

Page 5  
09-21-2023

- 12) Grievance Operational Board Update Q2 2023 – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**
- 13) Grievance Summary Reports Q2 2023 – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**
- 14) Credentialing Statistics Q2 2023 – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

YOLANDA HERRERA, KHS CREDENTIALING MANAGER, PRESENTED THE PROVIDER NETWORK MANAGEMENT CREDENTIALING STATISTICS FOR 2ND QUARTER 2023 HIGHLIGHTING THE FOLLOWING RESULTS:

- DURING THE MONITORING/REPORTING PERIOD APRIL 1, 2023 THROUGH JUNE 30, 2023 THERE WERE A TOTAL OF 133 INITIALLY CREDENTIALLED PROVIDERS AND 193 RE-CREDENTIALLED PROVIDERS.
- 18 NEW CONTRACT VENDORS WERE APPROVED IN THE FOLLOWING AREAS: ABA, PHARMACY, COMMUNITY SUPPORT SERVICES, DME, SPECIALIST, LABORATORY, SNF & TRANSPORTATION
- THE PHYSICIAN ADVISORY COMMITTEE APPROVED ALL CREDENTIALING AND RE-CREDENTIALING FILES AS PRESENTED WITH NO DENIED APPLICATIONS DURING THIS TIME PERIOD.

CA-15) Board Approved New & Existing Contracts Report – RECEIVED AND FILED  
**Melendez-Arya: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

CA-16) Credentialing & Recredentialing Summary Report – RECEIVED AND FILED  
**Melendez-Arya: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

CA-17) Network Review for Q2 2023 – RECEIVED AND FILED  
**Melendez-Arya: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

JAMES WINFREY, KHS PROVIDER NETWORK MANAGER, PRESENTED THE PROVIDER NETWORK – NETWORK REVIEW REPORT 2<sup>ND</sup> QUARTER 2023 HIGHLIGHTING THE FOLLOWING RESULTS:

- AFTER HOURS CALLS: DURING Q2 2023 131 PROVIDER OFFICES WERE CONTACTED. OF THOSE OFFICES, 130 WERE COMPLIANT WITH THE EMERGENCY ACCESS STANDARDS AND 130 WERE COMPLIANT WITH THE URGENT CARE ACCESS STANDARDS. OUTREACH AND EDUCATION CONDUCTED VIA LETTER HAVE BEEN SUCCESSFUL.
- PROVIDER ACCESSIBILITY MONITORING SURVEY: THE AVERAGE WAIT TIME FOR AN URGENT PRIMARY CARE APPOINTMENT WAS 22.2 HOURS. THE AVERAGE WAIT TIME FOR A NON-URGENT PRIMARY CARE

**Summary of Proceedings**

Quality Improvement- Utilization Management Committee Meeting  
Kern Health Systems

Page 6  
09-21-2023

APPOINTMENT WAS 1.9 DAYS. BASED ON THESE RESULTS, THE PLAN WAS DETERMINED TO BE COMPLIANT IN BOTH THE URGENT AND NON-URGENT TIME STANDARDS FOR PRIMARY CARE APPOINTMENTS IN Q2 2023. THE AVERAGE WAIT TIME FOR AN URGENT SPECIALIST APPOINTMENT WAS 63.5 HOURS. THE AVERAGE WAIT TIME FOR A NONURGENT SPECIALIST APPOINTMENT WAS 9.6 DAYS. BASED ON THESE RESULTS, THE PLAN WAS DETERMINED TO BE COMPLIANT IN BOTH THE URGENT AND NON-URGENT TIME STANDARDS FOR SPECIALIST APPOINTMENTS IN Q2 2023; THE RESULTS OF THE SURVEY CONFIRMED THE PLAN AND ALL PROVIDERS WERE IN COMPLIANCE WITH THE HOURS OF OPERATION AND APPOINTMENT OFFERED STANDARD.

- ACCESS GRIEVANCE REVIEWS: THERE WERE EIGHTY (80) ACCESS-RELATED GRIEVANCES IN Q4 2022. IN THIRTY-SEVEN (37) OF THE CASES IN Q4 2022, NO ISSUES WERE IDENTIFIED AND WERE CLOSED IN FAVOR OF THE PLAN. THE REMAINING FORTY-THREE (43) CASES IN Q4 2022 WERE CLOSED IN FAVOR OF THE ENROLLEE; THE KHS GRIEVANCE DEPARTMENT SENT LETTERS TO THE PROVIDERS INVOLVED IN THESE CASES, NOTIFYING THEM OF THE OUTCOME. THE FORTY-THREE (43) GRIEVANCES IN Q4 2022 THAT WERE CLOSED IN FAVOR OF THE ENROLLEE WERE FORWARDED TO THE PLAN'S PROVIDER NETWORK MANAGEMENT DEPARTMENT. THE PLAN REVIEWS GRIEVANCES ACROSS A FOUR-QUARTER ROLLING REVIEW PERIOD. TRENDS THAT ARE IDENTIFIED ARE REVIEWED WITH THE PROVIDER RELATIONS MANAGER ON A CASE-BY-CASE BASIS TO DEVELOP A TARGET-BASED STRATEGY TO ADDRESS. DURING Q4 2022, THE PLAN DID NOT IDENTIFY ANY TRENDS.
  - GEOGRAPHIC ACCESSIBILITY & NETWORK CERTIFICATION: THE PLAN COMPLETED THE ACCESSIBILITY ANALYSIS OF THE ANNUAL NETWORK CERTIFICATION REPORTING DURING Q1 2023. THE PLAN SUBMITTED 51 AAS REQUESTS WHICH WAS IN LINE WITH THE PRIOR ANNUAL NETWORK CERTIFICATION AAS REQUESTS (44). IN Q2 2023, THE DHCS COMPLETED ITS REVIEW OF THE PLAN'S AAS REQUESTS. THE DHCS DENIED 14 OF THE PLAN'S AAS REQUESTS AND RETURNED TO THE PLAN FOR REVISION. THE PLAN REVISED THE 14 AAS REQUESTS AND SUBMITTED THEM TO THE DHCS. AS OF Q2 2023, THE REVISED AAS REQUESTS WERE STILL BEING REVIEWED BY THE DHCS. FOR NETWORK ADEQUACY, KHS UTILIZED SPH ANALYTICS, AN NCQA CERTIFIED SURVEY VENDOR, TO CONDUCT THE SURVEY FOR 2022. SPH'S METHODOLOGY INVOLVED TWO WAVES OF MAIL AND INTERNET, WITH A THIRD WAVE OF PHONE FOLLOW UP TO ADMINISTER THE SURVEY. BASED ON THE RESULTS OF 2022 SURVEY, KHS CALCULATED A NETWORK-WIDE FTE PERCENTAGE OF 58.19% FOR PRIMARY CARE PROVIDERS AND 47.11% FOR PHYSICIANS.
- 18) Health Education Activity Report Q2 2023 – APPROVED  
**Arya-Melendez: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

**Summary of Proceedings**

Quality Improvement- Utilization Management Committee Meeting  
Kern Health Systems

Page 7  
09-21-2023

ISABEL SILVA SHARED THAT KHS' HEALTH EDUCATION DEPARTMENT IS EXPANDING INTO A BROADER ROLE AS THE WELLNESS AND PREVENTION DEPARTMENT TO MORE CLOSELY ALIGN WITH THE WELLNESS AND PREVENTIVE CARE REQUIREMENTS TO KEEP MEMBERS HEALTHY UNDER CALAIM. HEALTH LITERACY, EVIDENCE-BASED PRACTICES, CULTURALLY SENSITIVE CARE, LINGUISTICALLY APPROPRIATE SERVICES AND

CONTINUOUS MONITORING AND EVALUATION WILL SERVE AS THE DEPARTMENT'S FOUNDATIONAL PRINCIPLES UNDER THE LEADERSHIP OF THE SENIOR DIRECTOR OF WELLNESS AND PREVENTION, ISABEL SILVA.

- 19) Enhanced Case Management Program Report Q2 2023 – APPROVED  
**Melendez-Kennedy: 6 Ayes; 4 Absent – Ansolabehere, Cox, Jeffries, Park**

ECM WENT LIVE WITH THE FOLLOWING SITES ON 09/01:

- EA FAMILY SERVICES
- CSV - DELANO
- PREMIER - MCFARLAND

ECM IS GOING LIVE WITH THE FOLLOWING POFs AS OF JANUARY 2023:

BIRTH EQUITY POF: ADULT AND YOUTH WHO ARE PREGNANT OR POSTPARTUM (FOR A PERIOD OF 12 MONTHS) THAT ARE SUBJECT TO RACIAL AND ETHNIC DISPARITIES AS DEFINED BY CDPH (CALIFORNIA DEPARTMENT OF PUBLIC HEALTH) DATA ON MATERNAL MORBIDITY AND MORTALITY. CURRENTLY, CDPH HAS IDENTIFIED THE BLACK, AMERICAN INDIAN, ALASKA NATIVE, AND PACIFIC ISLANDER POPULATIONS BUT THIS IS SUBJECT TO CHANGE BASED OFF OF CDPH DATA.

JUSTICE-INVOLVED POF: KERN HEALTH SYSTEMS CURRENTLY ACCEPTS ADULTS/YOUTH TRANSITIONING OUT OF INCARCERATION INTO ECM. AS OF JANUARY 2024, UNDER THE 1115 DEMONSTRATION WAIVER, ALL CALIFORNIA CORRECTIONAL INSTITUTIONS CAN BEGIN PARTICIPATING IN PRE-RELEASE OR IN-REACH SERVICES FOR ALL INCARCERATED POPULATIONS WITHIN 90 DAYS OF RELEASE.

IPP BASELINE DATA FOR JANUARY - JUNE 2023 SUBMITTED TO THE DHCS AS OF 09/01/23. EFFORTS TO CONTINUALLY IMPROVE OUTLINED BY ECM

ECM TRANSITIONING 3 SITES FROM DISTRIBUTIVE MODEL TO FULL SITE BY 11/01/23. CASE MANAGEMENT GOALS, DATA EXCHANGE STRATEGY OUTLINED

QUARTER 2 CLINICAL AUDITS RESULTS NEAR COMPLETION AND WILL BE SHARED ACCORDINGLY.

**Summary of Proceedings**

Quality Improvement- Utilization Management Committee Meeting  
Kern Health Systems

Page 8  
09-21-2023

MEETING ADJOURNED AT 8:46 A.M. TO THURSDAY, NOVEMBER 30, 2023  
@ 7:00 A.M





**COMMITTEE:** *DRUG UTILIZATION REVIEW (DUR) COMMITTEE*  
**DATE OF MEETING:** *SEPTEMBER 25, 2023*  
**CALL TO ORDER:** *6:34 P.M. BY MARTHA TASINGA, MD - CHAIR*

|                                       |  |  |  |
|---------------------------------------|--|--|--|
| <b>Members Present On-Site:</b>       | Martha Tasinga, MD – KHS Chief Medical Officer<br>Dilbaugh Gehlawat, MD – Network Provider<br>Kimberly Hoffmann, Pharm D. – BOD Member   | James “Patrick” Person, RPh – Network Provider<br>Sarabjeet Singh, MD - Network Provider, Cardiology<br>Vasanthi Srinivas, MD – Network Provider, OB/GYN | Abdolreza Saadabadi, MD – Network Provider, Psychiatrist<br>Bruce Wearda, RPh – KHS Director of Pharmacy |
| <b>Members Virtual Remote:</b>        | None   |  |  |
| <b>Members Excused=E<br/>Absent=A</b> | Alison Bell, Pharm.D – Network Provider - E<br>Sam Ratnayake, MD – Network Provider – A<br>Joseph Tran, MD – Network Provider – A  |  |  |
| <b>Staff Present:</b>                 | John Miller, MD, KHS Medical Director<br>Sukhpreet Sidhu, MD, KHS Medical Director<br>Christina Kelly, KHS Pharmacy Admin Support Spvr<br>Amy Daniel, KHS Executive Health Svcs Coordinator<br>Michelle Curioso, KHS Director of PHM |  |  |

| AGENDA ITEM           | DISCUSSION / CONCLUSIONS  | RECOMMENDATIONS/ ACTION           | DATE RESOLVED |
|-----------------------|---|-----------------------------------|---------------|
| Public Comments       | Martha Tasinga, MD, Committee Chair, asked for public comment.<br>None were present.      | N/A                               | N/A           |
| Committee Comments    | Martha Tasinga, MD, Committee Chair, asked for committee member announcements or reports. | N/A                               | N/A           |
| Quorum                | Attendance / Roll Call  | Committee quorum requirement met. | N/A           |
| <b>CLOSED SESSION</b> | N/A   | N/A                               | N/A           |



| AGENDA ITEM  | DISCUSSION / CONCLUSIONS   | RECOMMENDATIONS/ ACTION  | DATE RESOLVED |
|--------------|--|--|---------------|
| 8            | <p>Dr. Hoffmann also asked questions about MCAS Measures that pertain to Pregnancy. Dr. Gehlawat asked if we knew how many homeless members have Mental Health issues.</p> <p><b><u>Executive Order N-01-19 Medi-Cal Rx Update</u></b><br/>           Bruce shared with the committee that there are new COVID vaccines coming out, specific for 2023. Obtaining the vaccines, and reimbursements will be different than they were in the past. Those details were presented to the committee.</p> |  |               |
| NEXT MEETING | Next meeting will be held Monday, November 20, 2023 at 6:30 pm   | <input checked="" type="checkbox"/> <b>CLOSED:</b> Informational only. | N/A           |
| ADJOURNMENT  | <p>The Committee adjourned 7:38 pm.</p> <p><i>Respectfully submitted: Amy Daniel, KHS Executive Health Services Coordinator</i></p>  | N/A  | N/A           |

*For Signature Only – Drug Utilization Review Committee Minutes 09/25/23*

The foregoing minutes were APPROVED AS PRESENTED on: \_\_\_\_\_  
Date

\_\_\_\_\_  
Name

The foregoing minutes were APPROVED WITH MODIFICATION on: \_\_\_\_\_  
Date

\_\_\_\_\_  
Name

21 D

## SUMMARY

### PUBLIC POLICY/COMMUNITY ADVISORY COMMITTEE

KERN HEALTH SYSTEMS  
**2900 Buck Owens Boulevard**  
Bakersfield, California 93308  
1<sup>st</sup> Floor Board Room

Tuesday, September 26, 2023

#### COMMITTEE RECONVENED

Members: Janet Hefner, Jennifer Wood, Jasmine Ochoa, Mark McAlister, Cecilia Hernandez-Colin, Beatriz Basulto, Tammy Torres, Yadira Ramirez, Michelle Bravo, Alex Garcia, Quon Louey, Kaelsun Singh Tyiska, Rukiyah Polk

ROLL CALL: 10 Present; 3 Absent – Jasmine Ochoa, Michelle Bravo, Alex Garcia

**Meeting called to order by Louie Iturriria, Senior Director of Marketing and Member Engagement, at 11:03 AM.**

NOTE: The vote is displayed in bold below each item. For example, Hefner-Wood denotes Member Hefner made the motion and Member Wood seconds the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

COMMITTEE ACTION SHOWN IN CAPS

#### PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification; make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Also, the Committee may take action to direct the staff to place a matter of business on a future agenda.  
SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!  
**NO ONE HEARD.**

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Committee members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Gov. Code Sec. 54954.2[a]) **NO ONE HEARD.**
- CA-3) Minutes for Public Policy/Community Advisory Committee meeting on June 27, 2023 -  
APPROVED  
**McAlister-Wood: 10 Ayes; 3 Absent – Ochoa, Bravo, Garcia**
- CA-4) Report on September 2023 Medi-Cal Membership Enrollment - RECEIVED AND FILED  
**McAlister-Wood: 10 Ayes; 3 Absent – Ochoa, Bravo, Garcia**
- CA-5) Report on Health Education for Q2 2023 -  
RECEIVED AND FILED  
**McAlister-Wood: 10 Ayes; 3 Absent – Ochoa, Bravo, Garcia**
- CA-6) Report on Marketing Medi-Cal Redetermination -  
RECEIVED AND FILED  
**McAlister-Wood: 10 Ayes; 3 Absent – Ochoa, Bravo, Garcia**
- 7) Report on Member Services – Grievance Operational Report and Grievance Summary for Q2 2023 -  
APPROVED  
**Hefner-Hernandez Colin: 10 Ayes; 3 Absent – Ochoa, Bravo, Garcia**

MS. WOOD INQUIRED ABOUT PRESENTING MORE DATA IN THE FUTURE REGARDING PATIENT ACCESS GRIEVANCES, AS TO BETTER UNDERSTAND THE REASON FOR THE INCREASE.

IN RESPONSE TO THIS, AT THE NEXT MEETING, MS. CARRILLO WILL BE PROVIDING A BREAK DOWN OF OUR ACCESS GRIEVANCES FOR Q2 AND Q3 BY WALK-IN VISITS, VS. SCHEDULED APPOINTMENTS, AVAILABILITY ACCESS GRIEVANCES, AND SHE WILL ALSO INCLUDE TELEPHONE ACCESS GRIEVANCES.

MR. LOUEY INQUIRED ABOUT THE TRACKING OF POSITIVE COMMENTS FROM MEMBERS AND ALSO PROVIDERS. THIS WAS ALSO MENTIONED IN THE LAST MEETING FROM MR. LOUEY AND MR. SINGH-TYISKA.

IN RESPONSE TO THIS, MEMBER SERVICES WILL REPORT ON THE NUMBER OF COMPLIMENTS RECEIVED DURING THE 3<sup>RD</sup> QUARTER AT THE NEXT MEETING. WE ARE ABLE TO TRACK COMPLIMENTS THROUGH QNXT (OUR CORE INFORMATION SYSTEM). MR. SCOTT ALSO ADDED THAT WE WILL INCLUDE RESULTS FROM OUR QUESTIONNAIRE AFTER CAL SURVEYS.

- 8) Health Equity – Community Advisory Committee 2024 Changes -  
APPROVED

**Louey-Hernandez Colin: 10 Ayes; 3 Absent – Ochoa, Bravo, Garcia**

MS. SLAYTON-WOOD INQUIRED ABOUT THE RATIONALE FOR INCLUDING LEA'S AS PART OF THE NEW CAC RESTRUCTURE.

IN RESPONSE TO THIS, MS. SILVA SHARED THAT DHCS EXPECTS MCPS TO EXECUTE MOU'S WITH LEA'S IN 2025 AND WILL RELEASE A DRAFT TEMPLATE IN 2024. DHCS' INTENTION BEHIND THESE MOU'S IS TO SUPPORT LOCAL ENGAGEMENT AND CARE COORDINATION BETWEEN MCP'S AND LEA'S AS PART OF A WHOLE CHILD MODEL OF CARE SINCE LEA'S HAVE A CAPTIVE AUDIENCE OF STUDENTS AND FAMILIES. THE STUDENT BEHAVIORAL HEALTH INCENTIVE PROGRAM (SBHIP) EFFORTS THAT ARE CURRENTLY BEING IMPLEMENTED IS DHCS' ATTEMPT TO INITIATE LOCAL PARTNERSHIPS BETWEEN MCP'S AND LEA'S TO INCREASE STUDENT ACCESS TO BEHAVIORAL HEALTH SERVICES.

MEETING ADJOURNED BY LOUIE ITURRIRIA, SENIOR DIRECTOR OF  
MARKETING AND MEMBER ENGAGEMENT, AT 11:57 AM TO  
DECEMBER 12, 2023, AT 11:00 AM

